
LOVELAND HOUSING STUDY

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The Housing Collaborative, LLC

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Executive Summary

Purpose

The purpose of the study is to provide the City of Loveland with baseline information that would be useful in evaluating and targeting affordable housing efforts. In particular, Loveland was interested in understanding reasons why employees commuting into the area for work have chosen to live elsewhere, existing housing conditions in Loveland and the potential impact on housing demand related to employment growth in Loveland and the surrounding region. The Affordable Housing Commission was also interested in better understanding the housing needs of lower income households and residents with special housing needs.

The information included in the study may also be used to:

- Evaluate and potentially modify public policies and housing programs including land use regulations, affordable housing incentives and development codes;
- Facilitate partnerships between public- and private-sector organizations to create developments that include housing that is suitable and affordable to different population groups;
- Obtain financing for housing projects. Most private, federal and state lending institutions require demographic and housing cost information to support loan or grant applications. Often information presented in a housing needs assessment may be used to support a proposed development with different funding agencies. This information can also be used when a financial institution requires market studies (for example, rental units financed with Low Income Housing Tax Credits);
- Establish baseline information from which progress toward meeting agreed upon goals can be evaluated;
- Plan for future affordable housing impacts connected with anticipated commercial and residential growth;
- Understand economic, housing and demographic trends in the area; and
- Support various other planning-related projects that can benefit from the availability of up-to-date demographic data including transportation studies, environmental impact statements, school expansion, and parks/recreation planning.

Context

It is important to recognize that addressing housing needs, concerns, issues and opportunities is a complex and often emotional issue. A Housing Needs Assessment provides baseline information from which policy decisions, local housing goals and objectives and program options can be evaluated. The information is intended to inform decisions, as well as suggest program and policy options for local governments to consider when addressing community housing needs and opportunities.

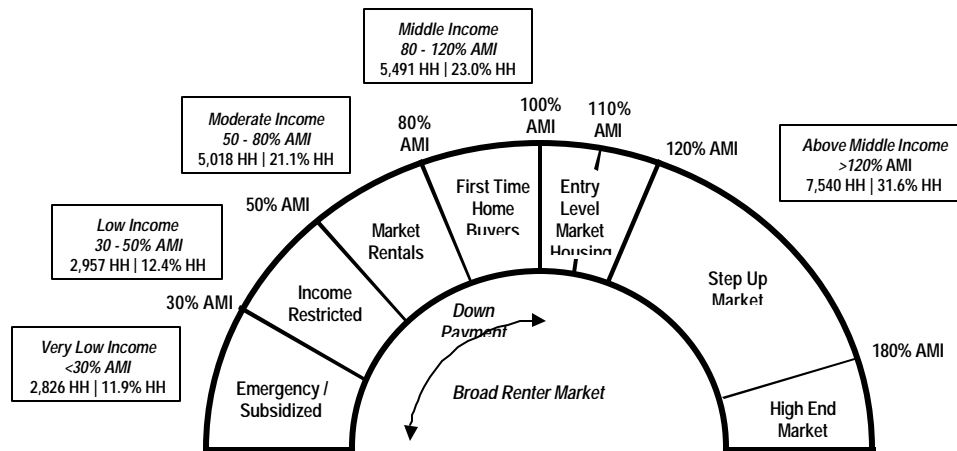
Economic conditions in the state are expected to improve over the next several years and indications are that the Loveland, Greeley and Fort Collins area will have expansive economic as well as residential growth. The potential for this growth, particularly along the I-25 corridor, is likely to affect Loveland in a number of ways, including demand for housing and impacts transportation. In addition, Loveland itself is pursuing non-residential development, particularly in the medical services arena, that will contribute to current and future housing demand. Lastly, Loveland has become a well-known destination for retirees. And, there is an on-going demand for lower income households in the community. These factors point to a need to plan residential development that complements both the needs of current residents, as well as demand generated by future economic and household growth. Ideally, a varied housing stock will enhance an economic and social diverse community, mitigate traffic impacts from in commuting and maintain a vibrant and income producing retail base.

Loveland has successfully used many planning tools and incentives to encourage the type of development that is desirable for the community. This includes use of site development and performance standards that allow developers to submit design guidelines and master plans for various types of projects that, once approved can proceed quickly through the review process. There are also incentives provided specifically for affordable housing developments, including freezing fees at the rates that were in place at the time the development is first proposed and reduced setback, landscaping, open space and street and pedestrian connection requirements. Even with these incentives, there continues to be a need to provide a range of housing types and prices within Loveland to address current and future resident demand.

Housing is generally defined as affordable when a housing payment does not exceed 30% of gross monthly income and a home that is of a sufficient size to meet the needs of the household. The types of homes that are made available under local housing initiatives vary depending on the housing needs in different communities and the policies and goals established by these communities to support these goals. Customizing policies, goals and programs to local conditions is an important component of any successful housing strategy. Recommendations in this report carefully considered Loveland's current programs and future housing needs.

The Housing Bridge illustrated below portrays a spectrum of housing that is affordable and most likely to be sought out by households in different income groups. The Housing Bridge depicts what may be ideal for most communities – the availability of housing that is affordable to all households and provides options for changing life circumstances. What is key in this approach is that there are opportunities to buy or rent for households at different economic levels, thus supporting an economically balanced community.

Housing Bridge



Key Findings

Information from the US Census and other public information sources, household surveys, Realtor, developer and employer interviews, employee surveys, as well as conversations with service agency representatives and property managers, are reflected in the key findings for Loveland. This section summarizes the findings and observations resulting from the analysis of housing conditions in Loveland.

Overview

Loveland has a good range of housing types and prices relative to the households who are currently living in the community. Although there is continued demand for income restricted rental and entry-level for-sale housing, Loveland has done an exceptional job of creating and sustaining housing that is affordable to lower income households. The challenges facing Loveland today include:

- Establishing and maintaining a housing mix and pricing in new product that provides housing choices for employees moving to the area for jobs created as a result of continued economic growth. Most of the new jobs in the Loveland area will be medical, service and retail positions. There will also be an increased number of senior households moving into the community, which will have an important influence on housing product type(s) and pricing;
- Establishing housing policies and programs that create options for current employees who commute into the area for work and would like to live in Loveland if affordable and suitable housing were available;
- Addressing existing problems, including housing needs among very low-income and special needs households, those who pay more than 30% of their income for housing and live in overcrowded conditions; and
- Maintaining and improving the existing housing stock.

Community Profile

- The housing stock in Loveland is largely single-family homes that are owner occupied. The community experienced a surge in growth from April 2000 through 2003 (17% increase in housing units). The population is expected to grow another 18.5% over the next six years, which will be a slower rate than was experienced from 2000 to 2003.
- About 29% of residents moved into Loveland within the past five years and over half of all households are single adults and couples without children. This is consistent with changing demographic trends in other areas – smaller households that are new to the area.
- Owners earn almost twice that of renters and pay about double for housing. The median income of owners was \$59,921 and median house payment \$1,029. For renters, the median income was \$30,000 and median rent was \$675.
- The median value of homes has increased 273% and median rent payment went up 94% since 1990, while the median household income increased 64% over the same period of time. Median home values in 1990 were \$73,400 compared to \$200,200 and the median rent in 1990 was \$348 compared to \$675 today. Housing costs have increased significantly faster than household income over the past 24 years, although the escalating cost of housing has slowed the past few years, with the percentage increase in the median value of homes increasing 24% from 1999 to 2003.
- Owners tend to be *very satisfied* with their housing and feel that affordable housing is one of the more serious problems in the city. Renters are more likely to be *satisfied* with their housing and feel that housing is a critical or one of the more serious problems in the community.
- Both owners and renters feel that housing for families with children is a high priority. Surprisingly, there was only modest support for making housing a priority for essential workers, including medical and emergency personnel and school employees.

Housing Inventory

- Loveland's housing stock is largely single-family homes (68%) and proposed development in the community will continue to provide this percentage of single-family homes.
- About 88% of owners live in single-family homes and 36% of renters also live in this product type. Another 36% of renters live in apartments with the balance living in condominiums and mobile homes. This indicates that single-family, town home and condominium units are an important source of rental housing in the community.
- Close to 75% of Loveland's owner occupied housing is valued at \$125,000 to \$251,000. This is a range that is affordable to households earning roughly 60% to 100% of the Area Median Income.

- Availability of homes to purchase in Loveland that would be affordable to households earning 60% to 100% of the AMI appears to be quite good; however, much of this product is single family homes that are priced toward the upper end of the affordable sales price range for households in this income group. In contrast, the households who make up this income range are adults living alone, couples without children and single parent households, most of whom have one primary wage earner in the household. Because of the smaller household size in comparison to the larger units, it doubtful that many households in this income range could afford to purchase these single-family homes. In addition, many of the homes available for sale in these price ranges are older units that are in need of rehabilitation to upgrade major systems including windows, furnaces, insulation and roofs. The combined purchase price with the cost needed to make systems improvements takes these units out of the range of affordability for potential buyers in this income range.
- Property managers representing 17 different projects in Loveland were interviewed for this study. This sample of apartment projects found that 21% of the units have three-bedrooms, which is a significant portion of rental housing that is devoted to larger families. About half have rents of \$700 to \$900 and the overall vacancy rates, including Tax Credit and Market Rate units was 5.6%. Affordable one-bedroom units were identified as a rental housing need in the community.
- Loveland has a good percentage of its rental housing stock devoted to lower income households (20% of rental units). There are 1,381 rental units and Section 8 Vouchers for renters earning at or below 60% of the AMI. (There may be duplication in this number as residents with a Section 8 Voucher are still eligible to live in a property financed with tax credits.) Of the 1,381 units, 44% of the participants pay 30% of their monthly income for rent (use of Vouchers or Public Housing Residents). Roughly 37% of these units are targeted to households earning 50% to 60% of the AMI. All indications are that rental housing targeted toward households earning less than 40% of the AMI are needed in the community.

Employment

There are an estimated 34,944 jobs in Loveland. Of these, manufacturing, retail, construction and health care and social services make up the majority of positions. Interestingly, the growth in jobs in the next few years in Loveland is expected to largely be in the health care industry, which has an average annual wage of \$35,816. There will be a decline in the number of production jobs in Loveland from 2000 to 2010, with an notable increase in service jobs and small increase in retail jobs during this period.

- Loveland is expected to add 10,800 PEOPLE between 2003 and 2010 and add 5,987 jobs during the same period. Although there are more people than jobs projected, the number of people includes children under the age of 18 and retirees.
- Residents are more likely to hold more than one job in Loveland, with an estimated 1.15 jobs per EMPLOYEE and about 1.2 employees per HOUSEHOLD in Loveland. Only taking households with employed persons into consideration (no retirees or students), the average number of employed persons in these households is 1.6.

- Loveland residents hold 47% of jobs in Loveland. The household survey found that 56% of Loveland residents are employed in Loveland with another 24% commuting to Fort Collins for work. Residents who live and work in Loveland are slightly more likely to be single parents and value living close to work.
- About one-fourth of residents who work in Loveland are renters, which is slightly more than those who live in Loveland and commute outside of the area for work (22% of employed residents). Those who work in Loveland are similar in all other demographic characteristics than those who commute outside of the area for work, except there are more single parent households and the median income is slightly higher.
- The two most important reasons noted for wanting to buy a home in the next two years among those who own a home and work in Loveland is to find a larger home and a different style home. In contrast, those who out-commute are interested in finding a larger home and living in a different community.
- Renters who work in Loveland and would like to buy have not done so because of high down payment requirements and the total cost. Among renters who commute out of the area, homes have not been purchased because housing in their price range is not available where they want to live and it is cheaper for them to rent.

In-Commuting

- In-commuters are more likely to own their homes, have higher median household incomes (\$65,000) and value size of lot when looking for a place to live.
- 47% of in-commuters would move to Loveland if housing were available that they could afford to buy. In-commuters are more likely to be couples with and without children.
- They are looking for single-family homes to purchase and place a high value on cost, housing type, size of home and size of lot. This group appears to be looking for larger or “step-up” homes to purchase.

Employers

Generally, employers acknowledge that there is a connection between employee recruitment and retention and the cost of housing. Most are supportive of local efforts to provide affordable rental and entry-level housing to purchase and while the majority indicated they would not provide housing for their employees in the future, 44% were uncertain, which indicates they need more information on this topic before making a decision.

- Employers are positive about the employment outlook, with 28% of those indicating they expect to increase their number of employees over the next year. Retention and recruitment has stayed about the same, with 22% indicating it has gotten more difficult.

- 26% had applicants turn down a job because of housing cost/availability, even though employers indicated that some of their employees only had moderate difficulty finding a home. Manufacturing and entry-level personnel had more difficulty than mid to upper-level management, although out of state recruitment has been a problem with qualified candidates experiencing “sticker shock” at the price of housing and overall cost of living in the area. Many qualified employees often find Berthoud, Windsor and Greeley to be less expensive than Loveland and are willing to commute.
- There is agreement that housing cost may become more of an issue as the economy improves.

Regional Trends

As the region grows, it is projected that there should be a sufficient supply of housing to accommodate demand resulting from job creation. In both Larimer and Weld counties, household growth is projected to outpace job growth. The jobs:housing ratio is forecast to decline, which means fewer jobs per housing unit and should lead to an overall improvement in housing availability. It is likely that the increase in housing growth in relation to jobs can be attributed to the presence of two universities in the area and an expected increase in the number of retired households locating to the area.

- There are strong economic ties between Fort Collins and Loveland with approximately 14,750 employees commuting in both directions between the two cities. With the relationship between jobs and housing projected to stay about the same in Loveland and to decline only slightly in Fort Collins, commuting patterns between the communities should stay about the same as the traffic volume increases.
- Far fewer employees now commute between Greeley and Loveland – approximately 1,300 of Greeley’s residents commute into Loveland and 1,125 of Loveland residents commute to Greeley for work. Over time, however, this relationship is likely to shift. Significant job growth is expected to occur in Greeley and in the unincorporated area of Weld County between the communities of Loveland, Windsor and Greeley. Greeley is the only community in the region where the jobs:housing ratio is expected to increase, which suggests decreasing housing availability. This could place more demand for housing in Loveland, with an increase in commuting by Loveland’s residents to jobs in the Greeley/southern Weld County area.
- There is also a possibility that employers in Loveland could feel the effects of competition from job growth in the Greeley area. Greeley residents who now commute to jobs in Loveland might choose to remain in Greeley as job opportunities there increase. Projections indicate the relationship between housing and jobs should be sufficient to supply an adequate labor force but there could be an increase in the need for lower-cost housing affordable for low-wage employees working in Loveland if Greeley no longer provides housing for these workers.
- The extent to which employment-related commuting and housing demand relationships among the communities in the region increase or shift will depend not only on the number of jobs and number of housing units added, but also on housing

cost differentials. If housing in the southern areas of Weld County is priced competitively with or lower than Loveland, low-wage employees filling new positions will be attracted to housing in those areas rather than higher-cost homes in Loveland. The inverse is true if housing projected for development in Windsor, Milliken, Johnstown, Eaton and Berthoud is more costly than homes in Loveland.

Special Needs and Economically Distressed Households

- There are 2,826 Very Low Income households in Loveland and housing cost burden is severe for 64% of these households (pay 50% or more of their income for housing). They tend to be adults living alone and have been in Loveland for six or more years (over half). Slightly over half are employed and about one-third are retired.
- Another 2,957 Low Income Households (earning 30% to 50% AMI) live in Loveland. Severe cost burden is an issue for 11% of these households, with another 51% paying 30% to 50% of their monthly income for housing. Over half own their homes and the majority are adults living alone and single parents. Close to one-third have been in Loveland for two years or less and 61% are employed with 18% retired.
- Moderate Income Households (51% to 80% AMI) make up 5,018 of the households in Loveland. Housing cost is a problem for 31% of these households and 62% own their homes. These households are more likely to be couples and single parents with children or adults living alone. 60% are working and 22% are retired. About one-third have lived in Loveland for more than 10 years and 30% for two years or less.
- Last year, service agencies indicated they assisted close to 4,000 individuals, most of whom were single parents and adults living alone. About 3/4th of these individuals earned less than 30% of the AMI.
- The percentage of very low to moderate income households who are housing cost burdened was born out by the experiences of the service agencies. They have found that residents are having greater difficulties staying in their homes and attribute this to increasing difficulty in finding jobs that pay a living wage.

Seniors

There are an estimated 5,179 households with a person age 65+. These are mostly single adults and couples without children, although 5% have children under the age of 18 living with them. They own 4,000 homes in Loveland and 22% have been in the area for five years or less.

- Realtors reported an increase in seniors looking to move to the area as did the Senior Center. About 18% of seniors are looking for a new home in the next two years and want an affordable, low maintenance home to purchase. Seniors who are able to move to this type of housing would free up single-family homes in established neighborhoods that may be attractive to younger couples. Affordable rental housing and a retirement community are the two programs that seniors are willing to consider.

- The Reverse Annuity Mortgage program was not popular among seniors responding to the household survey. The senior center has found a great “distrust of this program”, in spite of several seminars they have conducted to provide seniors with information about this program.
- About 5% of seniors are living in mobile homes. They are facing increasing lot rents and inability to sell their home due to its age and are often unable to maintain these homes to the standard of the park.
- Most seniors appear to be in good health, with only 15% reporting a person with a disability living in the home. Of these, mobility impairment was the most often cited disability, and 13% indicate their homes do not accommodate their disability.

Disabled Adults

There are an estimated 3,800 households with at least one person with a disability (including seniors). The most common disabilities were mobility impairments and blindness. Disabled persons are most likely to: be couples with and without children; live in single-family homes that are owner occupied; be between the ages of 26 and 45; and have significantly lower average and median incomes than all other households in Loveland (\$30,000 versus \$50,000 in median income).

- These households are more likely to have very low incomes, suffer with housing cost burden and have trouble making their monthly housing payment.
- Clients of the Disabled Resource Services Center tend to be single adults who receive SSDI of \$564 to \$1,100 per month. Besides locating housing that is affordable, finding units that are accessible, especially with bathrooms that have been adapted, are some of the biggest challenges faced by clients of the center. The Loveland Housing Authority does offer affordable rental housing and works closely with the Disabled Resource Center to provide accessible units. The housing authority has found that when an accessible unit is available for rent, there are not any referrals from other agencies for this unit.

Housing Problems

Not surprisingly, lower income households are more likely to encounter problems with housing, including paying more than 30% of their gross monthly income for rent and living in over crowded conditions. What is unusual is that many of these households own their homes and are likely to be seniors or families who have difficulty with locating suitable employment.

- About half of Loveland’s residents feel that housing for employees is a serious or critical problem in the community. Renters feel more strongly about this issue than owners. Interestingly, residents who have been in the community for 11 or more years perceive it as a greater problem than those who have been in the community for 10 years or less.
- 25% of residents are housing cost burdened and most are in households earning less than 50% of the AMI. Roughly 3,500 are owners and 2,500 are renters.

- Approximately 875 households have been late making their housing payment four or more times over the past two years, indicating they are at risk of displacement.
- About 1,106 of Loveland's occupied housing units are overcrowded, with 30% of one-bedroom units being occupied by three- and four-person households.

Housing Demand

Housing demand will be driven from new employment, retirees moving into the area and in-commuters who would like to live in Loveland. While some of this demand will be met by turnover among existing residents, it is significant enough to require planning an adequate supply of housing to meet these projections. Roughly 30% of the demand will be generated from households earning 50% to 100% of the AMI. Another 14% would come from households earning less than 50% of the AMI and would add to the existing need for housing in this price range.

- In-commuters who would like to live in Loveland would generate demand for an additional 4,832 housing units by 2010. Of these in-commuters, 87% want to buy. These employees have higher incomes than current residents, with 58.5% earning 120% or more of the AMI.
- New jobs are expected to generate demand for an additional 2,040 housing units. About 39% of these units could be affordable to households earning 120% or more of the AMI and 25% for those at 80% to 120% of AMI.
- Retirees are expected to generate demand for an additional 1,718 homes by 2010. About one-third are likely to come from households earning 50% or less of the AMI and 28% at 50% to 80% of the AMI.

The gap in housing to households in the community provides one indication for focusing local housing goals. The difficulty in fully comprehending the gap assessment is that higher income households compete for lower priced product and households at lower incomes compete for more modestly priced units because of lack of availability. For example, in Loveland it appears that there is surplus of rental units priced as affordable to households earning 50% to 80% of the AMI and a lack of "high end" rental units. Renters who could afford to pay significantly more for rental housing are renting more modestly priced units and competing with lower income households for these units.

- In rental housing, the gap is greatest for households earning 40% or less of the AMI.
- In for-sale housing, the gap is also the greatest for households earning 50% of the AMI or less and want to buy. It is unrealistic to expect that this market can be fully addressed due to the low incomes of these households in comparison to housing cost. Specialized housing programs, such as those provided by Habitat for Humanity, are the best options for households in this income range. While there appears to be a surplus of listings that households earning 50% to 100% of the AMI could afford to buy, many of these are older homes in need of substantial repair.

- There does appear to be a need for more units priced at or above 120% of AMI for households who would like to “move up” into larger homes. Although this may be the case, Realtors and developers indicated that larger homes on large lots could be purchased in other areas for significantly less money than it would cost to either buy or develop homes priced above \$325,000. They noted that there is significant regional market competition for higher end housing to buy.

Opportunities

Housing conditions in Loveland are generally very good, although there are some specific opportunities to be considered that would address existing housing problems and meet future demand.

- Additional market rate rental housing is not needed in Loveland at this time. There does continue to be a need for rental housing for households earning less than 50% of the AMI, with particular attention being given creating opportunities for renters earning less than 30% of the AMI. This will be particularly important as the economy improves. Developers of future rental projects need to know that cost is an important consideration among Loveland renters and that they also value storage for equipment and vehicles, having a home with little maintenance that is of a sufficient size to meet their needs and is close to employment.
- Consideration should be given to development of age-restricted housing, both income restricted and market rate housing that could be purchased as well as rented.
- Continued home ownership opportunities will be an important component of a housing strategy for Loveland. Families dominate the market for homeownership in Loveland. Current homeowners with larger families are looking to purchase a larger home than the one they live in now. This is likely to accommodate growing family needs.
- There is also a market for smaller more maintenance free homes. Some would be appropriate as part of an age restricted community whereas others would accommodate the needs of adults living alone and couples without children looking for a smaller home to own in the area.
- There is a strong interest in entry-level housing to purchase. These would be homes that are priced at or below \$175,000. For renters, down payment assistance may be needed. In addition, developers of new product believe that home ownership counseling and assisting in pre-qualifying buyers would be of benefit, since the number of potential buyers who meet the income guidelines and have very little debt is likely to be quite small.

Methodology

Area Covered

This study primarily covers the City of Loveland. A discussion of projected regional changes in portions of Larimer and Weld Counties is also included, given that growth in the City of Loveland is largely influenced by development in these surrounding areas. A mix of primary research and available public information sources was used to generate information for the City and the neighboring region.

Primary Research

Primary research, in the form of a household survey (distributed to City of Loveland households), an employee survey (distributed to Loveland employees through their place of work), employer surveys and local realtor interviews, was conducted to generate information beyond that available from existing public sources.

Household survey. The Household Survey was mailed to 2,500 homes with City of Loveland addresses. A total of 620 completed surveys were returned, for a good response rate of about 25 percent. About 88 percent of respondents live within the City boundaries, 11 percent in the unincorporated area around Loveland and 1 percent were unsure.

Responses represent a total of 620 households, 1,043 total adults and 684 employed adults. The primary purpose of the survey was to generate information on housing needs and preferences; opinions on potential housing issues, programs and solutions; and employment and commuting patterns among City of Loveland area residents.

Employee survey. Several businesses in the City of Loveland were contacted to engage their assistance in delivering surveys to their employees. The survey was administered over the Internet. Participating businesses were provided a link to the survey and asked to distribute the survey to their employees with email access. A total of 555 surveys were completed, 135 of which represented households that commute into the City of Loveland for work.

The primary purpose of the survey was to provide detailed information on where Loveland employees live; why employees commute into the area for employment; the likelihood that employees will move into the area if suitable and attainable housing were available; existing residents' interest in purchasing a first or different home; and the types of housing, amenities and prices that would be needed. The employment status and job location of other adults in the household was also asked.

Employer surveys. A random mix of employers with City of Loveland addresses were mailed a short survey intended to determine where their employees live; changes in employment over time; to what extent employee housing is perceived to be an issue by employers; and whether employers feel housing programs for employees are needed and their associated level of support. A total of 100 surveys were distributed, with 32 returned for an average response rate of 32 percent. In addition to these surveys, several employers participated in an interview to better understand their employee housing needs. These were employers who are primarily engaged in manufacturing and

who did not have Internet access readily available to employees working directly in the manufacturing process.

Realtor Interviews. Four Realtors who specialized in selling homes in Loveland participated in the key informant interviews. These Realtors were chosen by the Loveland/Berthoud Board of Realtors based on their knowledge of the Loveland and surrounding market area.

Developer Interviews. Representatives of developers who have built homes in Loveland were also interviewed. In addition to the developer interviews, staff in the Loveland Planning Office and Human Services Department were also interviewed about the use of development incentives and other planning incentives in the community.

Representation and Weighting of the Sample

Two levels of weighting were applied to the Household Survey data to benchmark the results to projected 2004 estimates from 2000 Census information to ensure that the survey is representative of the general City of Loveland population.

First, the survey data was weighted to accurately match the owner/renter mix as projected in 2004 from the 2000 Census. As typically occurs with household surveys, the raw survey results under-represented renters. The 2000 Census reported an ownership rate of 69.4 percent in the City of Loveland. It is estimated that this rate increased slightly by 2004 to 71.4 percent owner households, with 21.6 percent renter households. In comparison, 84.8 percent of survey responses were from owner households and 13.1 percent were from renters.

Second, renter households that responded to the survey were more likely to earn less than 30 percent of the Area Median Income than renter households in the City of Loveland, on average. Based on special tabulations of 2000 Census data prepared for the U.S. Department of Housing and Urban Development (HUD) called "CHAS" data, about 18 percent of renter households in the City of Loveland earned less than 30 percent of the Area Median Income. In comparison, about 36 percent of renter households responding to the survey earned under 30 percent of the Area Median Income. This group is usually underrepresented in household surveys and it is thought that the \$50 grocery certificate incentive motivated these households to return their surveys. Further, in light of the changed economic conditions in the area since the 2000 Census and observed changes in owner-household incomes, the survey data was weighted based on an estimate that a slightly higher 20 percent of renter households earned less than 30 percent of the Area Median Income in 2004.

Statistical Validity

The margin of error for household survey tabulations is generally within 3.9 percent at the 95% confidence level. This means that, for tabulations involving the entire sample, there is 95% confidence that any given percent reported is no more than plus or minus 3 to 4 percentage points from what is actually the case. When estimates are provided for sub-groups, such as household type, owners and renters, etc., the tabulations are less precise. The margin of error for the employee survey sample is generally within 4.2 percent at the 95% confidence level.

Other Sources of Information

Sources of published information were used in the preparation of this report, including:

- 1990 and 2000 US Census data, plus CHAS special tabulation data;
- Employment information from the Colorado Department of Labor and Employment (2000), the US Bureau of Economic Analysis, the Denver Regional Council of Governments (DRCOG) and the Center for Business and Economic Forecasting (CBEF);
- Employment and population projections from the Long Range Planning Department of the City of Loveland;
- Job, population and household projections from the North Front Range Regional Travel Model by the North Front Range Metropolitan Planning Organization (NFRMPO);
- Area Median Income for the Fort Collins-Loveland MSA – Department of Housing and Urban Development, 2004;
- Department of Housing and Urban Development Market Watch for January and June 2004;
- Area Median Income for the Fort Collins-Loveland MSA – Department of Housing and Urban Development, 2004; and
- Colorado State Division of Housing Rent and Vacancy Surveys.

Key Section Notes

The “Employment” and “Regional Trends” sections of this report use four primary data sources: the Quarterly Census of Employment and Wages (previously called ES-202); population projections from the City of Loveland Long Range Planning department; the North Front Range Regional Travel Model, developed by the NFRMPO and LSA Associates; and a study conducted by the Center for Business and Economic Forecasting for the North Front Range Metropolitan Planning Organization (NFRMPO) in 2003, titled “Forecasts of Jobs and Population for the North Front Range Modeling Area.”

QCEW reported jobs are jobs covered by unemployment insurance under the Colorado Employment Security Act. Certain types of jobs are excluded from the ES202, including sole proprietors, student and inmate workers, certain agricultural workers, and others. Therefore, information from this source was supplemented with information from the North Front Range Regional Travel Model to estimate non-QCEW jobs (sole proprietors, contract workers, etc.) for the City of Loveland.

Population growth estimates from the City of Loveland Long Range Planning department are based in part on the “Forecasts of Jobs and Population for the North Front Range Modeling Area” report prepared by CBEF in 2003. This report included jobs and

population estimates for Larimer County and most of Weld County and helped form the basis for the North Front Range Regional Travel Model.

Finally, the NFRMPO developed the North Front Range Regional Travel Model to project changes in population, households and jobs (excluding self-employed workers) by Traffic Analysis Zone (TAZ) in support of its transportation modeling and planning efforts. Projections were developed for each of 797 TAZs in the Larimer-Weld modeling area, which includes most of eastern Larimer and western Weld Counties. Base population and employment estimates were prepared for 2000 and projections were developed for 2010, 2020 and 2030.

Demographic Profile

Housing Profile 2004

Information from the 2000 Census was updated to provide a current picture of Loveland. This indicates that:

- Loveland is largely single-family homes (68%) that are owner occupied (71%). The community experienced a surge in growth from April 2000 through 2003 (17% increase in housing). About 29% of residents moved into Loveland within the past five years and over half of the households are single adults and couples without children. About 36% of households have children.
- Owners earn almost twice that of renters and pay about double for housing. The median income of owners was \$59,921 and median house payment \$1,029. For renters, the median income was \$30,000 and median rent was \$675. Loveland is part of the Fort Collins-Loveland Metropolitan Statistical area. According to this information, the median household income for the area is \$66,500 for a family of four.
- About 5,925 Loveland households pay more than 30% of income for housing. Of these households, 1,914 are severely cost burdened and pay more than half of their monthly household income for housing. This is evenly split between renters and owners. There has been an increase in the number of cost burdened households from 2000 to 2004 (4,923 households to 5,925) but a decrease in the percentage of households who are cost burdened (27.1% to 24.9%).
- The household size of renters has increased slightly since 2000, from 2.37 persons to 2.44 persons. Among owners, the size has decreased from 2.62 in 2000 to 2.61 in 2004.
- Median household income increased from \$47,119 in 2000 to \$50,000 in 2004. There was a corresponding increase in the monthly rent from \$577 to \$675; however, the average mortgage payment went down from \$1,131 to \$1,025, most likely due to lowered interest rates during this period.

Housing Profile 2004

Loveland – Pop. 60,115

Housing Unit Estimates and Physical Characteristics

Use/Tenure

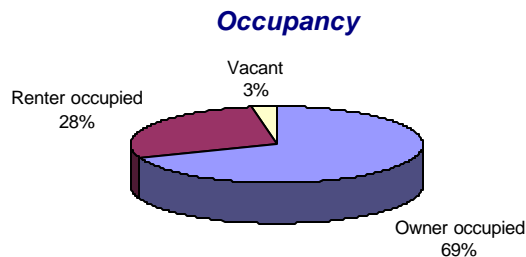
	#	%
Housing Units	24,507 ¹	100%
Occupied as primary home	23,833 ²	97.3%
Owners*	17,020	71.4% ³
Renters*	6,813	28.6% ³
Vacant	674	2.7%

* Percent of occupied units, not total units.

¹ Acquired from Loveland planning office – based in part on NFRMPO projections

² Assumes same occupancy ratio as in 2000.

³ Projected from historical 1990 – 2000 change.



Type of Structure

	#	%
Single-Family	16,670	68.0%
Multi-Family	7,186	29.3%
Mobile Homes	651	2.7%

*Based on building permit data for permits issued since the 2000 census

Overcrowded Units

	#	%
Overcrowded	1,106	4.6%

*2004 Household survey

Year Structure Built

	#	%
April 2000 through 2003*	4,208	17.2%
1999 to March 2000	810	3.3%
1995 to 1998	2,906	11.8%
1990 to 1994	1,826	7.4%
1980 to 1989	3,386	13.8%
1970 to 1979	5,746	23.4%
1960 to 1969	2,184	8.9%
1940 to 1959	1,711	7.0%
1939 or earlier	1,752	7.1%
Built since 1995	7,924	32.3%

*Difference between 2000 Census and projected 2004 housing units

Year Moved To Loveland Area

	#	%
Less than 1 year ago	853	3.6%
1 to 5 years ago	6,136	25.7%
6 to 10 years ago	3,705	15.5%
11 to 20 years ago	4,974	20.9%
20+ years ago	6,817	28.6%
All my life/have always lived here	1,347	5.7%

*2004 Household survey

Household Demographics

Household Size

	Total	Owners	Renters
Avg. Persons/Unit	2.5	2.6	2.4
<i>*2004 Household survey</i>			

Persons Per Unit

	#	%
1-person	4,763	20.0%
2-person	9,220	38.7%
3-person	4,497	18.9%
4-person	3,659	15.4%
5-person	1,145	4.8%
6-person	397	1.7%
7+ person	152	0.6%
Total	23,833	100%

2004 Household survey*Bedrooms Per Housing Unit**

	#	%
No bedroom	368	1.5%
1 bedroom	1,764	7.2%
2 bedrooms	6,347	25.9%
3 bedrooms	10,391	42.4%
4 bedrooms	4,485	18.3%
5 or more bedrooms	1,152	4.7%

2000 Census ratios projected to 2004 households*Senior Households**

	Owners	Renters	Total
At least one person over 65	4,024	1,038	5,179
% of Households	23.6%	15.2%	21.7%

2004 Household survey*Households with Children**

	Owners	Renters	Total
At least one person < 18	5,839	3,045	8,655
% of Households	34.3%	44.7%	36.3%

2004 Household survey*Household Type**

	Owners	Renters	Total	%
Adult living alone	2,984	1,812	5,048	21.2%
Single parent with child(ren)	915	872	1,725	7.2%
Couple, no child(ren)	6,713	1,158	7,900	33.1%
Couple with child(ren)	6,001	2,030	7,891	33.1%
Unrelated roommates	102	310	412	1.7%
Other	305	631	856	3.6%

**2004 Household survey*

Income, Housing Costs and Affordability

2004 Median Incomes

	Median in 2004
Household Income	\$50,000
Owner Households	\$59,921
Renter Households	\$30,000

*2004 Household survey

2004 Median Family Income – Fort Collins-Loveland MSA

	50%	80%	100%
1 person	\$23,300	\$37,250	\$46,600
2 person	\$26,600	\$42,550	\$53,200
3 person	\$29,950	\$47,900	\$59,900
4 person	\$33,250	\$53,200	\$66,500
5 person	\$35,900	\$57,450	\$71,800
6 person	\$38,550	\$61,700	\$77,100

*Department of Housing and Urban Development

Change – HUD Median Family Income, 1999-2004

1999	2004	% Change
\$53,300	\$66,500	24.8%

*Department of Housing and Urban Development

Income Distribution

	Owners	Renters	Total	%
<\$10,000	336	687	1,062	4.5%
\$10,000-14,999	519	530	1,072	4.5%
\$15,000-19999	560	578	1,163	4.9%
\$20,000-24999	605	600	1,231	5.2%
\$25,000-29999	754	575	1,348	5.7%
\$30,000-39999	1,734	1,059	2,819	11.8%
\$40,000-49999	1,705	724	2,432	10.2%
\$50,000-59999	1,717	596	2,307	9.7%
\$60,000-69999	1,737	374	2,089	8.8%
\$70,000-79999	1,737	374	2,089	8.8%
\$80,000-89999	1,272	230	1,482	6.2%
\$90,000-99999	887	112	982	4.1%
\$100,000 or more	3,477	337	3,740	15.7%

*1999 Census adjusted to 2004 incomes

Percent of Income Spent on Housing

	Owners	Renters	Total
<=30%	13,572	4,336	17,908
30.1 to 50%	2,463	1,548	4,011
Over 50%	985	929	1,914
% Cost Burdened	20.3%	36.4%	24.9%
# Cost Burdened	3,448	2,477	5,925

Median Housing Costs

	2004
Mortgage	\$1,029
Rent	\$675

*2004 Household survey

Value of Owner-Occupied Units

	#	%
Less than \$50,000	53	0.4%
\$50,000 to \$99,999	641	5.2%
\$100,000 to \$149,999	4762	38.7%
\$150,000 to \$199,999	4363	35.5%
\$200,000 to \$299,999	1929	15.7%
\$300,000 to \$499,999	508	4.1%
\$500,000 to \$999,999	15	0.1%
\$1,000,000 or more	22	0.2%
Median Value	\$155,900	

*2000 Census

Mortgage Amount

	#	%
Less than \$250	40	0.2%
\$250 - \$499	964	5.7%
\$500 - \$749	2,259	14.1%
\$750 - \$999	2,997	20.5%
\$1,000 - \$1,500	5,346	39.5%
\$1,500 - \$2,000	1,418	11.4%
\$2,000 or more	696	4.7%

*2004 Household survey

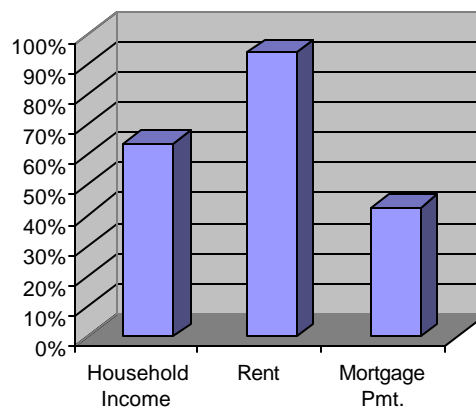
Gross Rent

	#	%
Less than \$250	459	6.7%
\$250 - \$499	688	10.1%
\$500 - \$749	2,993	43.9%
\$750 - \$999	1,422	20.9%
\$1,000 - \$1,500	1,147	16.8%
\$1,500 or more	103	1.5%

*2004 Household survey

Trends and Comparisons

	1990	2000	2004	1990 – 2004 % Change
<i>Housing Units & Households</i>				
# Housing Units	14,711	20,299	24,507	66.6%
# Occupied Housing Units	14,049	19,741	23,833	69.6%
Total Vacant	662	558	674	1.8%
Homeownership Rate	63.8%	69.4%	71.4%	
<i>Household Size</i>				
Renters	2.44	2.37	2.44	0.0%
Owners	2.73	2.62	2.61	-4.4%
Overcrowded Units	282	510	1,106	292.2%
<i>Affordability</i>				
Cost Burdened Households #	3,121	4,963	5,925	89.9%
Cost Burdened Households %	23.7%	27.1%	24.9%	
<i>Median Incomes</i>				
Household Income	\$30,548	\$47,119	\$50,000	63.7%
<i>Median Housing Costs</i>				
Rent	\$348	\$577	\$675	94.0%
Value – Owner Occupied	\$73,400	\$155,900	\$220,200	273%
Mortgage Pmt.	\$719	\$1,131	\$1,025	42.6%

% Increase, 1990 – 2004

Survey Profile

The household survey explored opinions about housing, factors households consider when looking for a new home and priorities for housing. Some of the findings include:

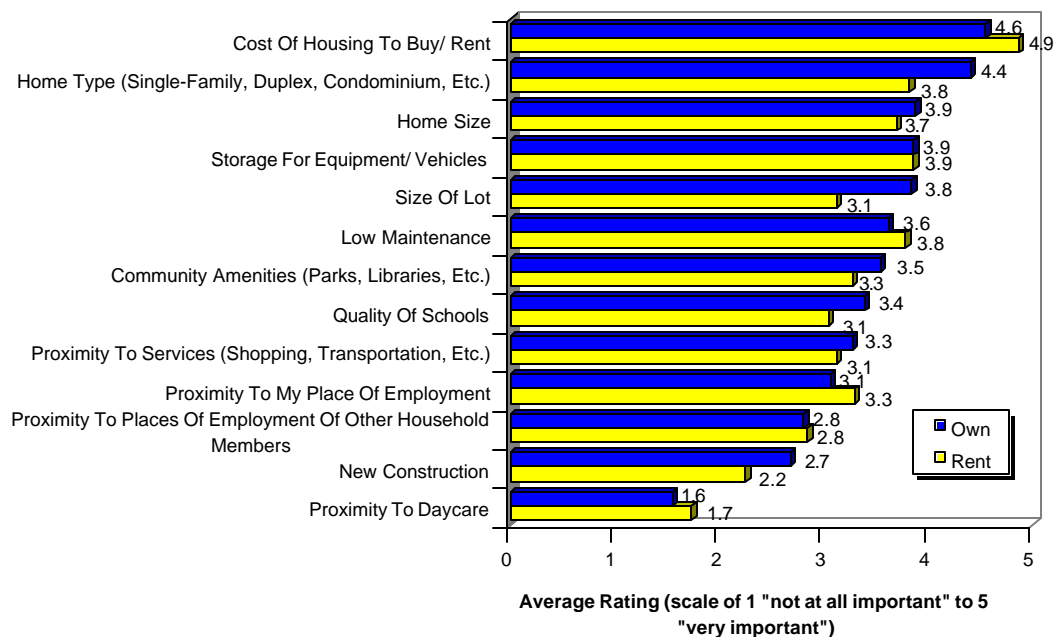
- When looking for a home to buy or rent, cost is the most important factor considered by households followed by housing type. About 30% of owners want to buy a different home and are looking for a larger home or different style. Other important considerations include storage for equipment and vehicles and low maintenance living. The least important was proximity to day care and finding a newly constructed home.
- About 30% of owners are considering a new home in the next two years and 59% indicate that they could afford to buy their current home at today's market price. This indicates that for many owners, income has kept pace with increases in the value of homes in the area.
- About 30% of owners looking to buy a different home want a smaller home and 12% want to be closer to work. They have a significant amount of down payment (\$75,688 on average).
- An estimated 24% of Loveland households earn 50% or less of the area median income. These households would be income eligible for a variety of programs, including down payment assistance, reduced rate rentals and low-interest, rehabilitation loans. Of these households, 3,161 are renters and 2,723 are owners.
- Housing cost burden was examined to understand the differences between owners and renters. Regardless of tenure, cost burden decreases as income increases. All of the 1,157 owners who earn 30% of the AMI pay 30% or more for their housing. These households may be at risk of losing their home. Among the 1,532 owners that earn 30.1% to 50% of the AMI, cost burden is a problem for 65% of these households. Renters earning 30% or less of the AMI are having an easier time than owners. Of the 1,635 renters at this income, 67% are cost burdened, indicating that rental assistance is being used by renters in this income range. About 63% of renters earning 30.1% to 50% of the AMI are also cost burdened.
- Renters are more likely to experience difficulties making housing payments than owners. They are also more likely to feel that their homes are in fair to poor condition, needing \$5,000 or more in repairs. In addition, renters are very interested in rental assistance, down payment assistance and building a home they could own with sweat equity. Given the lower incomes, difficulties in making rent payments and condition of units, it is not surprising that renters are more likely to view housing as a critical or serious issue (62% of renters) compared to owners (43%).
- When asked the priority they would assign to different groups if more affordable housing were made available in the area, there was very little difference between renters and owners. Both noted families with children and seniors should receive priority.

Survey Profile 2004

City of Loveland – 23,833 Households

Housing Preferences

How important are the following factors to you when deciding on a place to live?

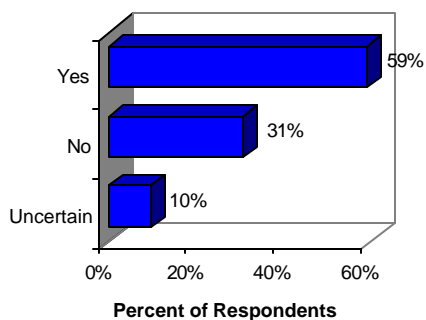


Owners

Want to Buy a Different Home?

	City of Loveland
Yes	30%
No	70%
Average amount available for a down payment	\$75,688

"Could you afford your current home at its market rate today?"



Why Do You Want to Buy a Different Home?

	City of Loveland
To find a larger home	45%
To find a different style home (e.g., Ranch-style unit)	31%
To live a different community	30%
Other	20%
To find a smaller home	13%
To be closer to work	12%
To be closer to family	8%

Renters

Want to Buy a Home?

	City of Loveland
Yes	66%
No	34%
Average amount available for a down payment	\$11,012

Why Have You Not Bought a Home?

	City of Loveland
Total cost	58%
High down payment required	58%
Can't qualify for a loan	49%
Housing in my price range not available where I want to live	48%
Cheaper to rent	31%
Other	14%
Lack of housing choice (e.g. no single-family homes)	6%

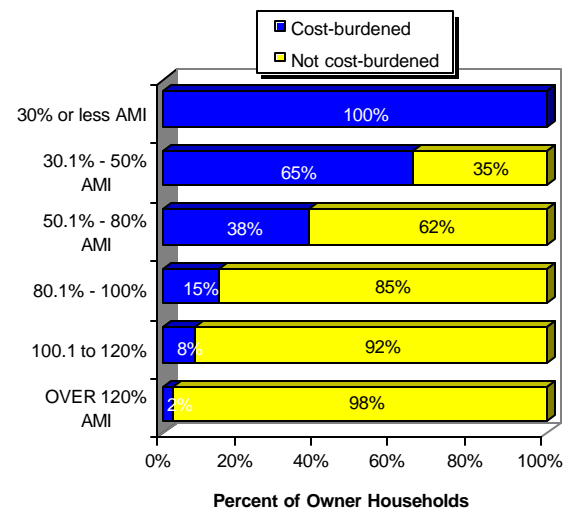
Households By AMI

AMI Distribution of Households

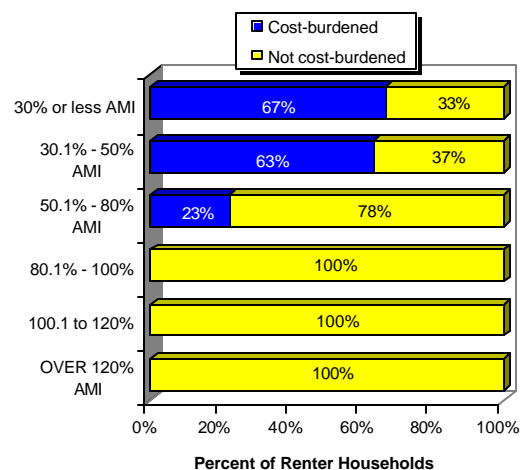
AMI Range	City of Loveland		
	Owner	Renter	Total
30% or less AMI	6.8%	23.9%	11.9%
30.1% - 50%	9.0%	22.5%	12.4%
50.1% - 80%	18.0%	28.3%	21.1%
80.1% - 100%	15.3%	9.4%	13.4%
100.1 to 120%	11.3%	5.1%	9.6%
Over 120% AMI	39.8%	10.9%	31.6%
	100%	100%	100%
Total	17,020	6,813	23,833

Source: 2004 Loveland Household Survey

Cost-Burdened Owner Households By AMI



Cost-Burdened Renter Households By AMI



Housing Problems

Behind in Payments During Last 2 Years

	Owner	Renter
Never	92%	63%
1 to 3 times	6%	28%
4 or more times	2%	8%

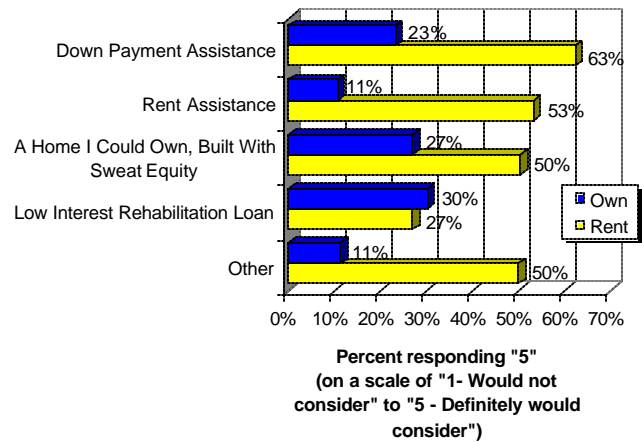
Condition of Home

	Owner	Renter
Excellent	51%	17%
Good	31%	42%
Fair - needs repairs costing \$5,000 or less	14%	32%
Poor - needs repairs costing \$5,001 to \$9,999	4%	8%
Very Poor - needs repairs costing over \$10,000	0%	-

How satisfied are you with your current residence?

	Owner	Renter
Very satisfied	49%	18%
Satisfied	42%	59%
Not satisfied	7%	17%
Very dissatisfied	2%	5%

Respondents That Would Definitely Consider the Following Types of Help With Housing

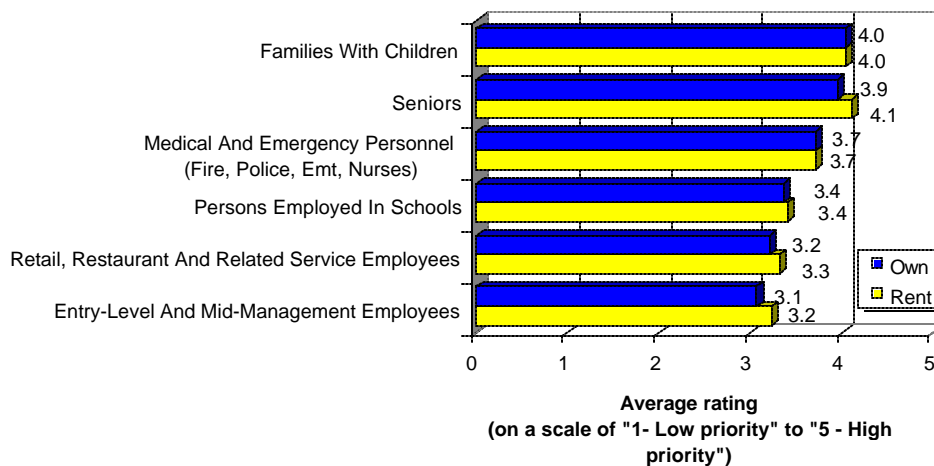


Extent to Which Housing Is an Issue In the City of Loveland

	Owner	Renter
It is the most critical problem	7%	15%
One of the more serious problems in the city	36%	47%
A problem among others needing attention	37%	30%
One of our lesser problems	11%	5%
I don't believe it is a problem	9%	2%

Housing Priority

"Identify the priority you would assign to each of the following groups if more affordable housing were made available in the area:"



Employment

Baseline employment information among owners and renters was compared. Renters are more likely to live in Loveland than owners and to be employed in manufacturing, services and retail positions than were owners. In contrast, owners are more likely to be retired and have retirement income as their primary source of income than renters. There are also slightly more employed adults in owner households and conversely, renters are more likely to have more than one position per employee in the household.

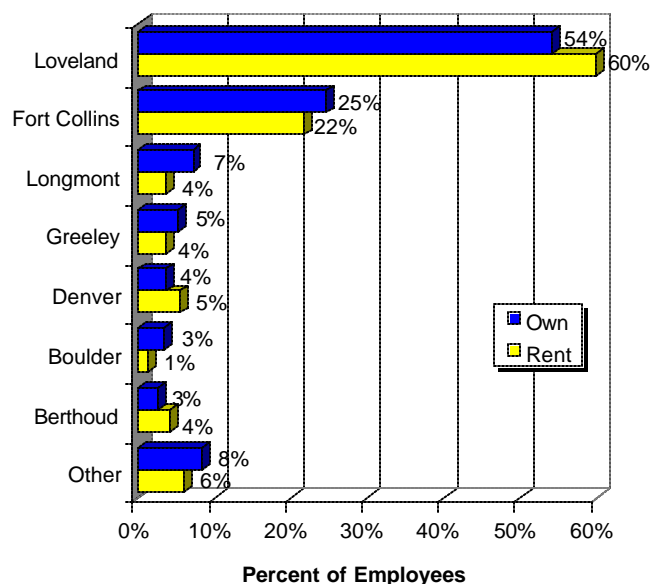
Employment status

	<i>Owner</i>	<i>Renter</i>
Employed by others	50%	62%
Retired	20%	11%
Self employed	14%	11%
Homemaker	8%	5%
Student	4%	4%
Unemployed	3%	7%
Employees per Household	1.2	1.1
Jobs per Employee	1.1	1.2

Primary source of income

	<i>Owner</i>	<i>Renter</i>
Professional services	30%	31%
Social Security	19%	18%
Retirement income	20%	8%
Manufacturing	9%	16%
Service	7%	9%
Retail	7%	9%
Government	7%	3%
Personal services	3%	7%
Agriculture/ food	2%	7%
Unemployment	1%	-
Other	13%	11%
TOTAL	118%	118%

Where the Residents of the City of Loveland Work



Housing Inventory

Housing inventory presents an overview of the number of homes available in Loveland, their age, unit type and perceived condition. It also provides information about sales and rent trends for the area.

The household survey found that 88% of owners live in single-family homes and over one-third of renters live in this unit type. This indicates that single-family homes are an important source of rental housing in the Loveland area. Overall, renters are more likely to live in attached housing, which is not surprising.

Tenure by Unit Type

	Overall	Own	Rent
Apartment	9.8%		36.0%
Mobile home	3.1%	2.5%	2.3%
Single-family home	74.0%	88.4%	36.5%
Condo/ townhome/ duplex	12.5%	7.7%	26.2%
Other		1.2%	
	100%	100%	100%

Source: Household Survey

Among owners who want to buy another home in the next two years, the average values ranged from a low of \$150,870 to an average high of \$316,727. The overall average value was \$217,695 and the median was \$200,000.

Average and Median Home Values

Bedrooms	Average	Median
2	\$150,870	\$140,000
3	\$203,045	\$190,000
4	\$272,535	\$220,000
5	\$316,727	\$263,745
Total	\$217,695	\$200,000

Sales

The median sales price of single-family homes in Loveland has increased since 1999 by 25%. Increases in median sales prices were greatest for single-family homes in 1999 and 2001, with modest increases of 3% to 5% observed for the other periods. Attached homes had a similar pattern; however, the median price decreased from 2001 to 2002 and could be attributed to a 25% increase in attached product introduced to the market from 2001 to 2002.

Sales Price Trends

	1999	2000	2001	2002	2003
Attached					
Number Sold	133	198	171	228	241
Median Price	\$135,000	\$143,500	\$156,778	\$154,500	\$165,000
% Increase	14.0%	6.0%	9.0%	-1.0%	4.0%
Single-Family Homes					
Number Sold	1,620	1,635	1,711	1,791	1,694
Median Price	\$159,244	\$163,500	\$185,000	\$194,500	\$200,200
% Increase	11.0%	3.0%	13.0%	5.0%	3.0%

Loveland/Berthoud Association of Realtors – IRES

Units sold in 2003 and those that have been listed for sale in 2004 were examined in more detail. First, sales prices to households of different sizes and income levels were calculated. The affordable sales price(s) were compared to listings.

Affordable Sales Price at Different Area Median Incomes

	60% of AMI	80% of AMI	80% to 100%	100% to 120%
Studio	\$114,038	\$151,928	\$170,996	\$209,070
One Bedroom	\$122,114	\$162,737	\$193,989	\$234,724
Two Bedroom	\$130,189	\$173,545	\$216,982	\$260,378
Three Bedroom	\$146,585	\$195,365	\$244,309	\$293,170
Single-Family Detached	\$162,737	\$216,982	\$271,228	\$325,473

In 2003, there were 1,796 homes sold in Loveland. Of these, 1,218 or 67% were sold within a price range that would be affordable, depending on household size, to households earning 60% to 80% of the Area Median Income. Another 389 homes were affordable to households earning 81% to 100% of the AMI, with 87% consisting of single-family homes that sold for \$217,000 to \$271,000.

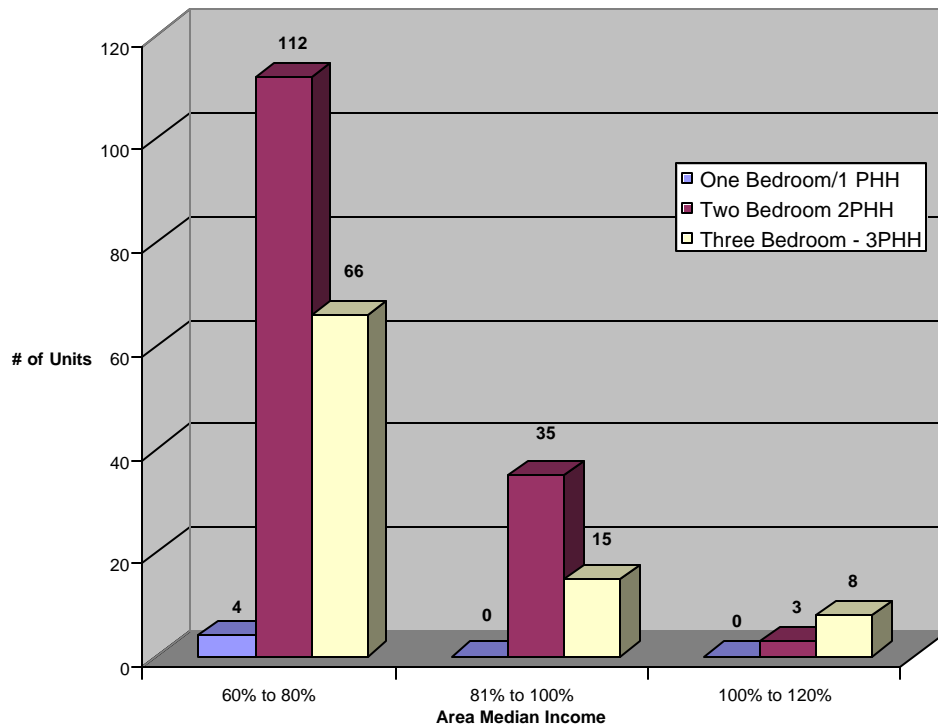
Units Sold in 2003 by Sales Price Range

Affordable Range to Households Earning 60% to 80% of AMI		Affordable Range to Households Earning 81% to 100%		Affordable Range to Households Earning 101% to 120%	
<i>Attached</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
One Bedroom	\$122,000 to \$163,000 4	\$163,001 to \$194,000 0	\$194,001 to \$235,000 0		
Two Bedroom	\$130,000 to \$174,000 112	\$174,001 to \$217,000 35	\$217,001 to \$260,000 3		
Three Bedroom	\$146,000 to \$195,000 66	\$195,001 to \$244,000 15	\$244,001 to \$293,000 8		
Single Family	\$164,000 to \$217,000 1,036	\$217,001 to \$271,000 339	\$271,001 to \$326,000 178		
TOTAL	1,796	1,218	389		189

Source: Loveland/Berthoud IRES

Of the attached product that was sold, the majority were two-bedroom units that were affordable to households at 60% to 80% of the Area Median Income. Very little attached product was sold in prices affordable to households earning 100% to 120% of the AMI, largely because single-family homes in these price ranges were available.

Attached Unit Sales Comparison by Bedroom and Affordability Range



Current Listings

The following chart provides information about homes that have been listed for sale since January 2004. Listings suggest a shift in the market toward higher prices. There have been 1,784 homes for sale in price ranges that are affordable to households earning 60% to 120% of the Area Median Income. Of these homes, slightly over half are priced as affordable to households earning 60% to 80% of the Area Median Income, compared to over two-thirds that were sold in these price ranges in 2003. About 18% of the homes would be affordable to households earning 100% to 120% of the Area Median Income compared to 10% for the previous year.

2004 Homes Listed for Sale

	Affordable Range to Households Earning 60% to 80% of AMI		Affordable Range to Households Earning 81% to 100%		Affordable Range to Households Earning 101% to 120%	
Attached		Number		Number		Number
One Bedroom	\$122,000 to \$163,000	5	\$163,001 to \$194,000	0	\$194,001 to \$235,000	0
Two Bedroom	\$130,000 to \$174,000	84	\$174,001 to \$217,000	35	\$217,001 to \$260,000	5
Three Bedroom	\$146,000 to \$195,000	72	\$195,001 to \$244,000	19	\$244,001 to \$293,000	11
Single-Family	\$164,000 to \$217,000	751	\$217,001 to \$271,000	488	\$271,001 to \$326,000	314
TOTAL	1,784	912		542		330

Source: Loveland/Berthoud IRES

- There are 364 Single-Family Residential units available in the Loveland area with an asking price over \$325,000; and
- There are six (6) attached dwellings (condos, townhomes) available for \$325,000 or more.

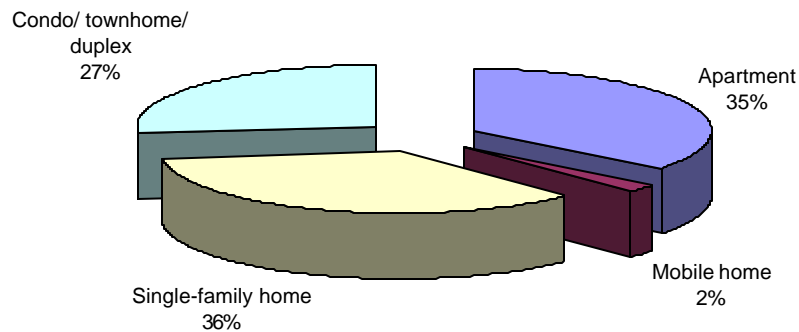
Rental Housing Conditions

Information from the Colorado State Division of Housing Vacancy Survey report and the Housing Market Conditions for Fort Collins – Loveland prepared by the U.S. Department of Housing and Urban Development (HUD) was reviewed as part of this study. In addition, property managers overseeing 17 rental projects in Loveland were interviewed to get current information on rental housing market conditions that can be compared to information provided from the state. Lastly, information obtained from the household survey provided some insights into the rental housing in Loveland.

Rental Inventory

The survey found that over half of the renters live in single-family homes or condominiums or other units that were not apartments. This indicates that single-family homes and some attached housing is an important source of rental housing in Loveland.

Unit Types Occupied by Renters



Source: Household Survey

The household survey found the average rent paid by renters in Loveland to be slightly higher than the median (\$734 versus \$700). One-bedroom units were more likely to be leased for \$499 per month or less. Two-bedroom units tended to fall into the \$500 to \$699 per month range. About 66% of those renting a four-bedroom unit were paying \$1,100 to \$1,299 per month for rent; given the limited number of four-bedroom apartment units, these are more likely to be single-family homes.

Rents Paid by Bedroom Configuration

	1BR	2BR	3BR	4BR
\$1 - \$299	28.6%	5.9%	4.3%	
\$300 - \$499	42.8%		4.3%	
\$500 - \$699		72.5%	10.6%	
\$700 - \$899	28.6%	21.6%	25.5%	11.1%
\$900 - \$1,099			44.8%	22.2%
\$1,100 - \$1,299			6.4%	66.6%
\$1,300-\$1,999			4.3%	
	100%	100%	100%	100%
Average		\$734		
Median		\$700		

Source: Household Survey

Vacancy and Rents

According to the Division of Housing Vacancy Survey Report, the vacancy rate in the Loveland/Fort Collins market area was 10.8% as of February 2004. The average rent was \$749 and the median rent was \$779. This study does not take into account units financed with LIHTC or other deeply subsidized units. There is very little variance between the average and median rents, suggesting that there is not a widespread difference in market rate rents in the area.

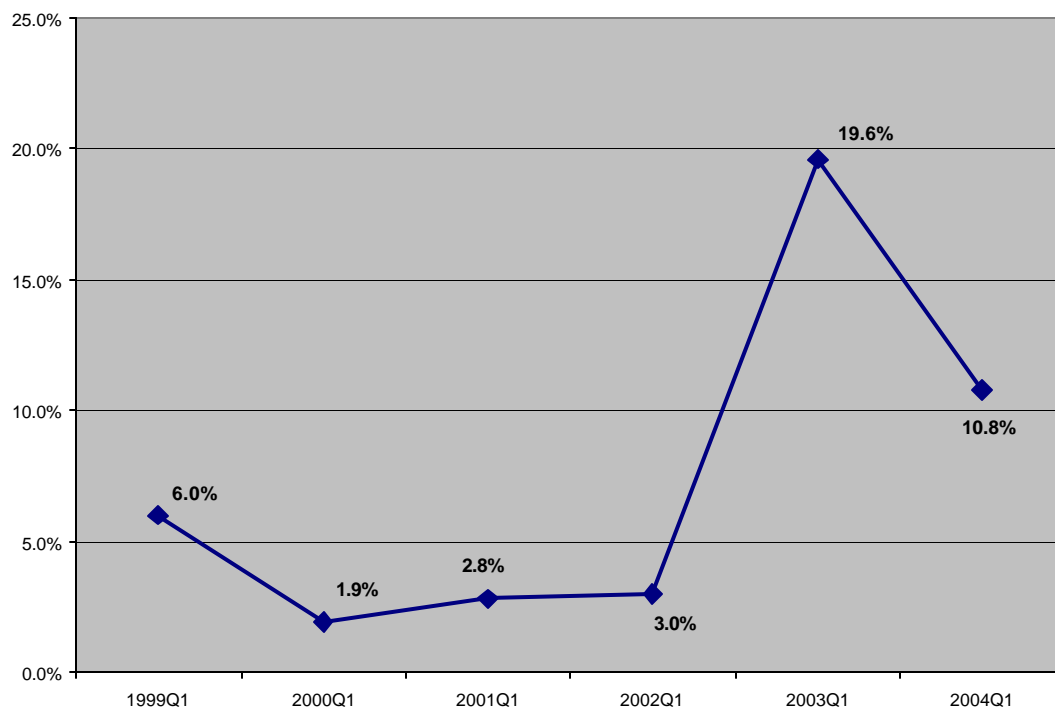
February 2004 Vacancy Survey

Vacancy Rate	10.8%
Average Rent	\$748.63
Median Rent	\$778.59

Source: Colorado State Division of Housing Vacancy Survey

Vacancy rates for Loveland/Fort Collins Market Area for the first quarter of a six-year period were examined to note any unusual trends. Rates were at or below 3% from 2000 to 2002. At first quarter of 2003, they jumped to close to 20% and have dropped down to 11% as of 2004. The sharp increase from 2002 to 2003 is attributed to survey response and/or introduction of new product into the market. In Loveland alone, an estimated 470 rental units were introduced into the market area that were financed with LIHTC.

Vacancy Rate Trends



Source: Division of Housing Vacancy Survey

The vacancy survey provides information about average rents for the Fort Collins-Loveland market area. Although not specific to Loveland, it does provide some insights about rental market trends. Over a six-year period, rents have shown a slow but steady increase, with the highest rate of increase occurring in efficiencies and one-bedroom units. The slow rate of increase in rents over this period of time is indicative of a soft rental market.

Average Rents – Fort Collins-Loveland Market Area

Type	1999Q1	2000Q1	2001Q1	2002Q1	2003Q1	2004Q1	% Change
Efficiency	\$366	\$385	\$406	\$422	\$488	\$571	55.8%
One Bedroom	\$575	\$601	\$631	\$637	\$643	\$655	14.0%
Two Bedrooms, One Bath	\$658	\$667	\$670	\$684	\$690	\$710	8.0%
Two Bedrooms, Two Baths	\$711	\$725	\$727	\$733	\$741	\$745	4.8%
Three Bedroom	\$750	\$754	\$772	\$782	\$798	\$802	6.8%
Other	\$810	\$816	\$832	\$838	\$867		7.0%

Source: Division of Housing Vacancy Survey

The Housing Market Conditions issued by HUD for January 2004 indicates that the soft rental market in Fort Collins-Loveland is showing signs of improvement. This is consistent with the slow down in vacancies found in the Colorado State Division of Housing Vacancy report. HUD estimates that the rental market should recover sometime in early-2006 and is suggesting that the start of new market rate units be postponed until early-2005.

HUD also noted that the economy has stabilized and is showing signs of a slight recovery during the past year. Employment growth in 2003 was slightly ahead of the growth rates of 2002 and 2001. Year-end unemployment averages for 2003 and 2002 were comparable. The anticipated return to sustained employment growth in 2004 and 2005 will result in an increase in the area's population and households.

According to HUD, the market for non-elderly Low Income Housing Tax Credit (LIHTC) units in the Fort Collins-Loveland area is soft and extremely high capture rates would be required to absorb any new units, especially at the 60% of median income level. They also note that any additional non-elderly LIHTC units at any income level should be approached with caution, but indicate that there may be some opportunity for units at the 40% and 50% of median income levels in the Fort Collins market. In addition, it is believed that some potential for development for a modestly-sized elderly project at the 40% and 50% of median income levels exists.

In the Market Watch for June 2004, HUD noted that the rental market in Loveland remained soft and that the vacancy rate increased slightly to 10.8 percent in the 1st quarter 2004, up from 9.9 percent from the 3rd quarter 2003. Waterford Place, a large mixed-income rental project in south Loveland is in lease up and Phase II will have 166 affordable units financed with Private Activity Bonds and is in the planning stages. The affordable market will continue to remain soft during the lease up of Phase I and will soften dramatically if Phase II enters the market. The market will not support additional affordable non-elderly projects until the current inventory is absorbed. A 276-unit market rate project remains in the planning stages. They found that rent specials, including reduced rents, are offered on market rate projects and at some affordable projects.

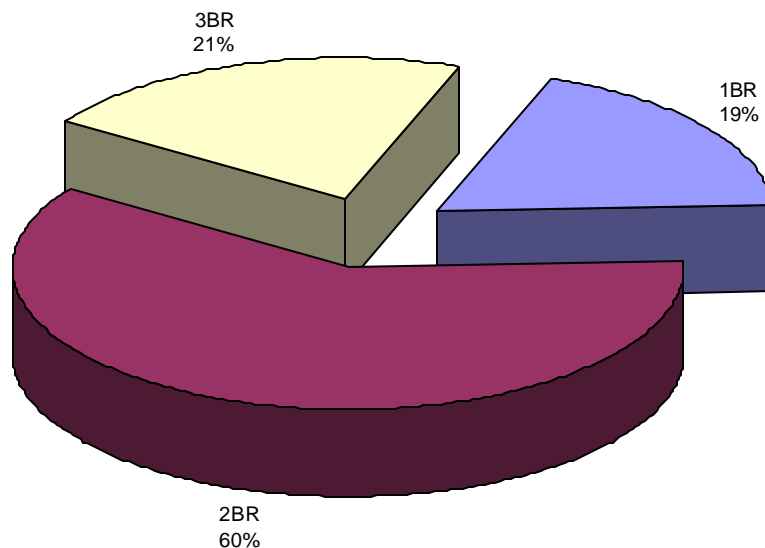
Loveland Rental Properties

For this study, interviews were completed among property managers overseeing 17 different properties in Loveland. These include a mix of properties financed with tax credits, solely market rate units and deeply subsidized apartments. The purpose of conducting this survey was to determine if information about the rental market in Loveland varies from the State Division of Housing Study and to understand current rental conditions. This section only examines properties that were financed with tax credits or provide market rate housing. These 14 developments ranged in age from over 40 years to six months and included 1,210 units.

Bedroom Mix

Rental units in apartment buildings in Loveland tend to be larger, with well over half consisting of two bedrooms. One- and three-bedroom units each comprised 19% to 21% of the apartment inventory.

Bedroom Mix of Selected Properties



Source: McCormick and Associates, Inc. Interviews

Bedroom Mix, Rent and Vacancy Rates

About half of the apartments have rents falling in the \$701 to \$900 range. Another 11% have rents above \$1,000 per month, with 6% reporting rents of less than \$500.

Vacancies are highest for apartments renting at \$601 to \$700 per month and lowest for those priced at \$501 to \$600. There is no clear trend when vacancy rates are evaluated by rent charged.

Bedroom Mix, Rent and Vacancy Rates

	1BR		2BR		3BR		Overall	Vacancy Rate	% of Inventory by Rent
	Number	Vacant	Number	Vacant	Number	Vacant	Number		
\$401 - \$500	18		56	4			78	5.1%	6.4%
\$501 - \$600	22		108	3	45		178	1.7%	14.7%
\$601 - \$700	16		152	12	8		188	6.4%	15.5%
\$701 - \$800	84		141	5	47	3	280	2.9%	23.1%
\$801 - \$900	84	1	176	14	40	5	320	6.3%	26.4%
\$901 - \$1000			27		80	4	111	3.6%	9.2%
\$1001 - \$1100			70	1	36	16	107	15.9%	8.8%
Overall	224	1	730	39	256	28	1210	5.6%	100%

Source: McCormick and Associates, Inc. Interviews

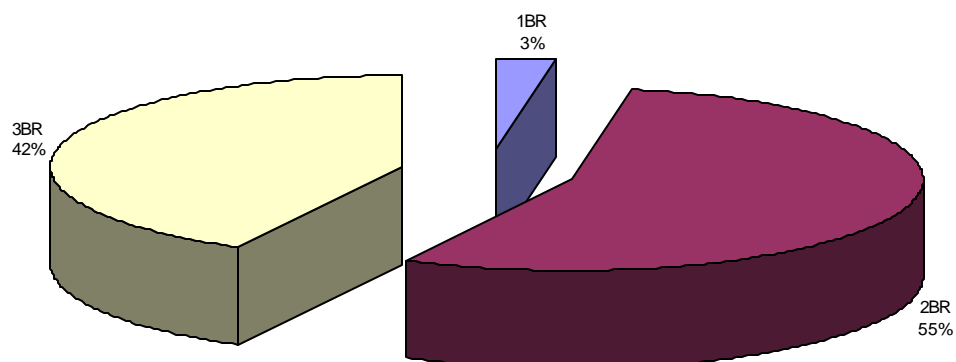
The overall vacancy rate of the apartments surveyed was 5.6%. This is significantly lower than reported by HUD for June 2004. Vacancies are highest for three-bedroom units and lowest for one-bedroom units. Several property managers noted a lack of affordable one-bedroom units in Loveland, which may be one reason for the vacancy rate in this unit type.

Vacancy Rates - Overall

	1BR	2BR	3BR	
Total Units	250	689	271	1210
# Vacant	1	39	28	68
% Vacant	0.4%	5.7%	10.3%	5.6%

Tax Credit Properties

Of the 14 properties considered for the study, four had units financed with Low Income Housing Tax Credits. These developments have a high ratio of three-bedroom units and a small number of one-bedroom units.

Tax Credit Developments – Bedroom Mix

Source: McCormick and Associates Interviews and Colorado Housing Finance Authority

Vacancies are highest for units priced at \$601 to \$700 per month, but this could be attributed to the small number of units in this price range. This is interesting given the lower vacancies noted among two-bedroom units priced at \$701 to \$800, where there is also more product, yet vacancy rates are 6.3%.

Vacancy Rates – Tax Credit Projects

	1BR		2BR		3BR		Overall	
Market Rate	Number	Vacant	Number	Vacant	Number	Vacant	Number	Vacant
\$401 - \$500			40	3			40	7.5%
\$501 - \$600	10		30		45		85	0.0%
\$601 - \$700			40	8	8		48	16.7%
\$701 - \$800			93	5	35	3	128	6.3%
\$801 - \$900					3		3	0.0%
\$901 - \$1000					64	3	64	4.7%
TOTAL	10	0	203	16	155	6	368	6.0%

Source: McCormick and Associates, Inc. Interviews

No vacancies were reported for one-bedroom units and close to 8% of two-bedroom units were vacant. Vacancy rates for three-bedroom units are below 4%.

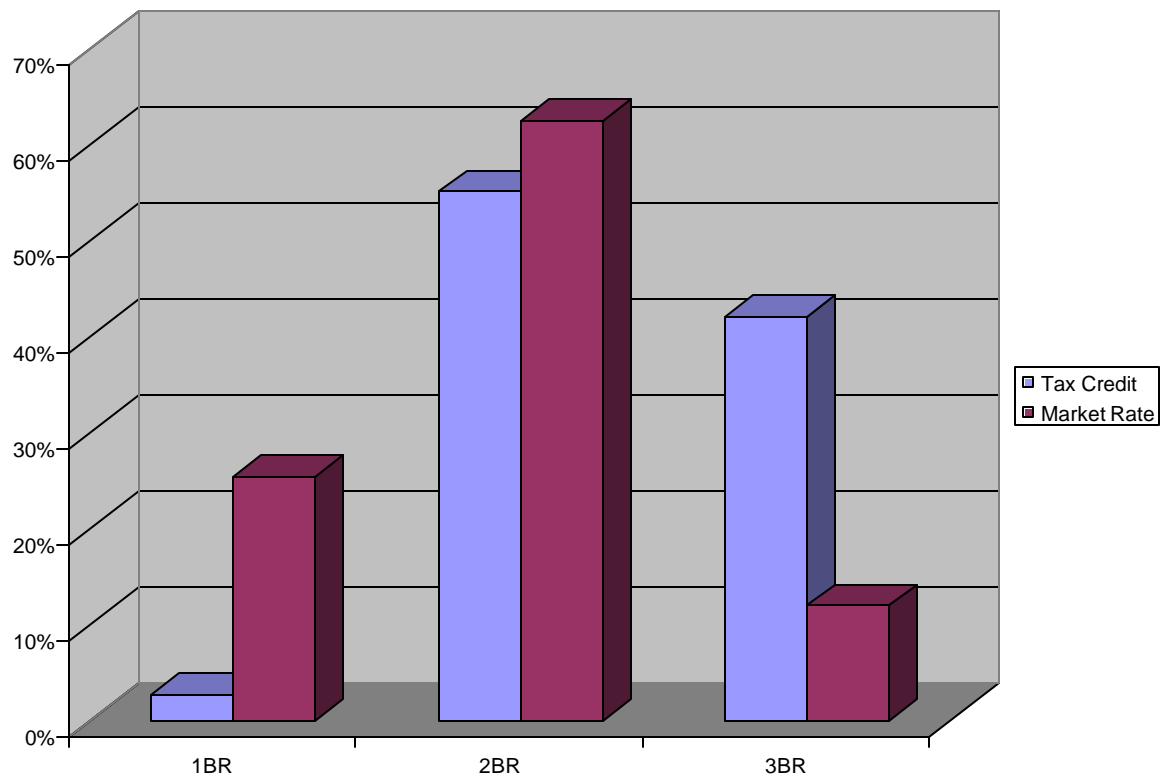
Tax Credit Units - Vacancy

	1BR	2BR	3BR	
TOTAL	10	203	155	368
Vacant	0	16	6	22
% Vacant	0.0%	7.9%	3.9%	6.0%

Source: McCormick and Associates, Inc. Interviews

Market Rate Units

Of the 14 properties, 10 were solely market rate units and one was a mixed-income product (both income restricted and market rate housing). There were 842 market rate rental units that were examined. When the bedroom mix of units financed with tax credits and market rate units are compared, there is a clear distinction between the two. Market rate apartments have a higher percentage of one-bedroom units and fewer three-bedroom units than tax credit projects.

Bedroom Mix – Tax Credit and Market Rate Housing Compared

Source: McCormick and Associates, Inc. Interviews

Vacancy rates are the highest in product priced at or above \$1,000 per month. The lowest vacancy is for units priced at \$701 to \$800 per month (less than 1%).

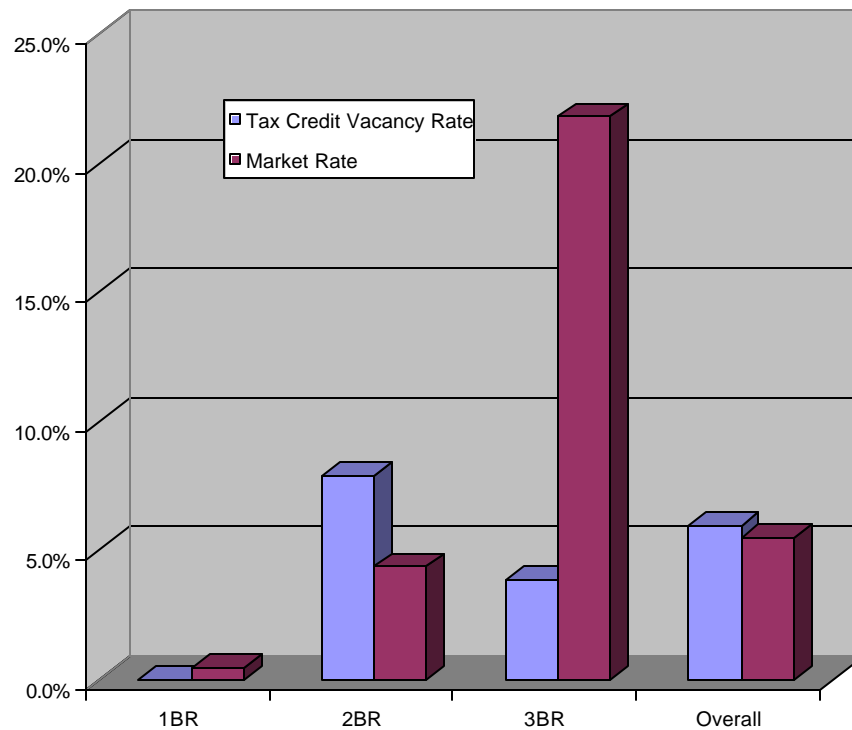
Vacancy Rates Market Rate Units

	1BR		2BR		3BR		Overall	
	Number	Vacant	Number	Vacant	Number	Vacant	Number	Vacant
\$401 - \$500	18		16	1			34	2.9%
\$501 - \$600	12		78	3			90	3.3%
\$601 - \$700	16		112	4			128	3.1%
\$701 - \$800	84	1	48		12		144	0.7%
\$801 - \$900	84	0	176	14	37	5	297	6.4%
\$901 - \$1000			27		16	1	43	2.3%
\$1001 - \$1100			70	1	36	16	106	16.0%
Overall	214	1	527	23	101	22	842	5.5%

Source: McCormick and Associates, Inc. Interviews

Vacancy rate comparison between tax credit properties and market rate properties shows that market rate three-bedroom units have the highest rates and two-bedroom units financed with tax credits have a higher vacancy rate than market rate units. Overall, however; the vacancy rates for both development types are comparable at roughly 6%.

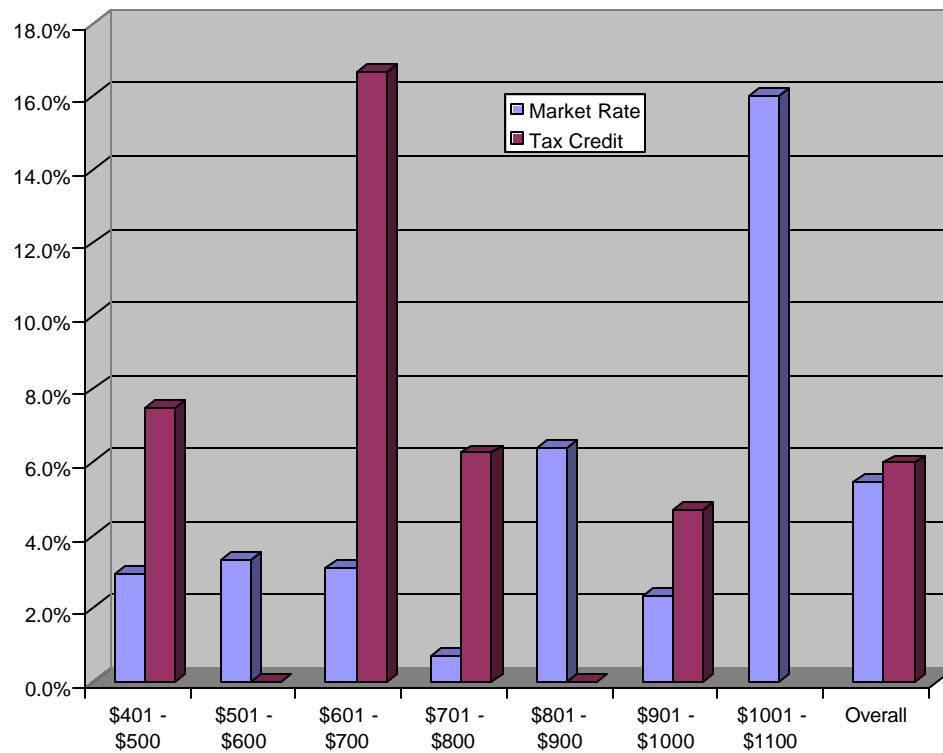
Vacancy Rate Comparisons by Bedrooms



Source: McCormick and Associates, Inc. Interviews

It is interesting to note that tax credit properties have much higher vacancies than comparably priced market rate units in almost every category. The exceptions are tax credit units priced at \$801 to \$900 and the one-bedroom units priced at \$501 to \$600, but this is attributed to the small number in these price ranges (13 combined). Waterford Place was recently introduced into the market, which may account for the higher vacancies found among other tax credit properties.

Vacancy Rate Comparisons by Rent



Source: McCormick and Associates, Inc. Interviews

Property managers reported a decrease in vacancies over the previous year. They also indicated that they were experiencing more “skips” and evictions than in prior years; however, they were also able to lease units more quickly. Faster leasing was attributed to the time of year (summer) when families were more willing to move.

Income Restricted Housing – Rental

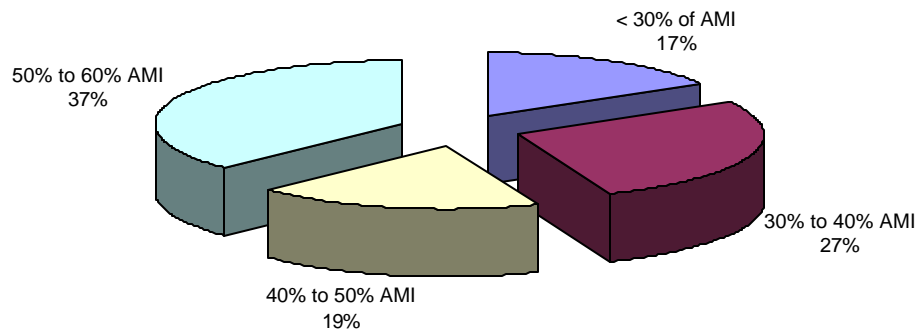
Loveland has an estimated 1,381 rental units and Section 8 Vouchers that are for renter households earning at or below 60% of the Area Median Income. While this is a significant number of income restricted units for a community of this size, it is important to note that many of those living in tax credit units or other developments may also use Section 8 Vouchers and there is likely to be duplication.

Developments/Program	# Units/Vouchers
Section 8 Vouchers	468
Cornerstone	16
Silver Leaf 2	72
Willow Place	20
Neighbor to Neighbor	39
Larimer County Mental Health	7
Lincoln Hotel	21
Scattered Site	30
Sub-Total	673
Senior	
Silver Leaf 1	50
Mixed Income	
Maple Terrace	130
Waterford Place	128
Sub-Total	258
Tax Credits	
Brookstone	72
The Meadows	60
Madison Avenue	60
The Reserve at Centerra	152
Rockcrest	56
Sub-Total	400
TOTAL INCOME RESTRICTED	1,381

McCormick and Associates, Inc. Interviews

Of the 1,381 units that have income requirements, 44% of the program participants pay 30% of their monthly income for rent. This high percentage reflects the use of Section 8 Vouchers. When income restricted units are examined by the upper income requirement or income of households living in the unit, the highest percentage of units are priced to be affordable to households earning 50% to 60% of the AMI. Only 17% of units are occupied or held as affordable to households at 30% or less of the AMI. While this is a low percentage of units occupied by households earning this income, it is likely that a large proportion of Section 8 Vouchers are used by households earning 50% or less of the AMI.

Distribution of Income Restricted Properties by AMI Targets



Source: McCormick and Associates, Inc. Interviews

Slightly over half of the rental properties developed with tax credits are targeted toward two-bedroom units. Around 30% are available for larger families and consist of three- and four-bedroom units.

Bedroom Mix – Income Restricted Properties

	1BR	2BR	3BR	4BR	TOTAL
<i>Tax Credit Properties</i>					
Brookstone		48	24		72
Madison Avenue	12	36	12		60
Rock Crest		36	20		56
Waterford		38	39		77
Reserve at Centerra	1	87	64		152
The Meadows	10	25	25		60
Deeply Subsidized	50		15	15	80
Other	92	171	33	10	306
TOTAL	165	441	232	25	863
<i>%age of Total</i>	<i>19.1%</i>	<i>51.1%</i>	<i>26.9%</i>	<i>2.9%</i>	<i>100.0%</i>

McCormick and Associates, Inc. Interviews /CHFA Information

Income Restricted – Owner Occupied

Loveland has 110 units of owner occupied housing that have been built using its affordable housing incentive program. These homes are sold to buyers whose incomes do not exceed the noted AMI requirements. These units carry a 20-year deed restriction requiring owners to sell them to future buyers with incomes that do not exceed these AMI targets.

For-Sale Units – Deed Restricted

<i>Project/Sponsor</i>	<i>Number of Units</i>	<i>Household Income Target</i>
Boise Village	53	70% AMI
Pine Tree	32	70% to 80% AMI
Habitat for Humanity	25	50% AMI
TOTAL	110	

Pending Projects

Information provided by the Loveland Planning Office for projects that are in the annexation/rezoning process, preliminary plat or final plat indicate that an additional 2,859 housing units could be added to the inventory over the next two to five years. Of the proposed units, 68% would be single-family homes, which closely mirrors the mix of single-family and attached housing that is currently found in the Loveland Inventory.

	<i>Single Family</i>	<i>Multi Family</i>
Annexation		
Mirasol	159	159
Preliminary Plat		
Sweet Briar	12	12
Vanguard	33	33
Hunters Run	705	33
Eagle Brook	297	150
Meadow Brook Farm	18	18
Giuliano 2nd		60
Boise Village North	237	8
Green Valley Ranch	47	128
Millenium	111	184
Kendall Brook		105
Final Plat		
Taft Farms	75	75
Aspen Knolls	53	53
Giuliano	356	356
Seven Lakes	64	24
TOTAL	1,963	896
		2,859

Of these developments, seven are proposing to have a portion of their units set aside as affordable under the City of Loveland's program. In total, 23% or 665 of the units to be built will have an income requirement. Most of the units (511) are expected to be sold; only Mirasol is proposing some affordable units.

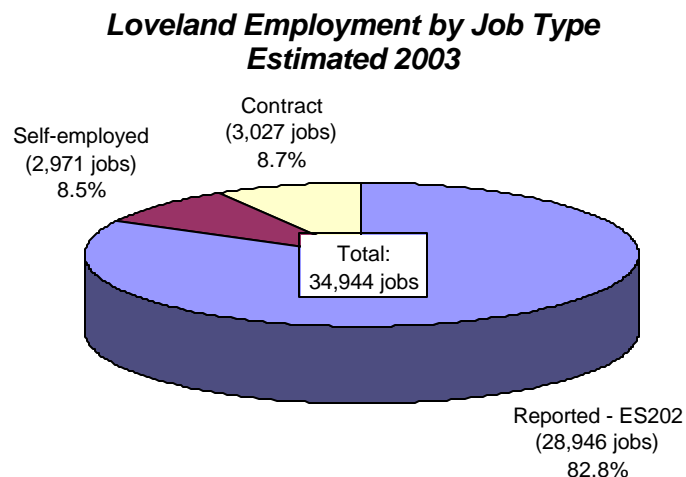
Development	Type of Units	# Affordable Units	Target Market	Project Status	City Quadrant
Wilson Commons	MF Ownership	62	70% AMI	Review	Northwest
South Village	MF Rental	50	50% AMI	Review	Southeast
South Village	SF For-Sale	50	70% AMI	Review	Southeast
Sanctuary on the Park	MF For-Sale	41	70% AMI	Review	Northeast
Longview West	SF & MF For-Sale	232	80% AMI	Review	Northwest
Aspen Knolls	MF For-Rent	99	70% AMI	Const.	Southwest
Aspen Knolls	MF For-Sale	2	70% AMI	Const.	Southwest
Mirasol	27 for sale/balance rental	131	40%-80% AMI	Review	Southeast

Employment and Commuting

Understanding the employment and commuting situation in the City of Loveland helps provide a context in which future pressures and demand for housing can be better understood. The types of jobs and wages impact prices and types of housing affordable to and preferred by workers. Inter-regional commuting patterns help define who demands housing and to what extent neighboring communities affect that demand. Understanding employer experiences related to recruiting and retaining employees helps identify current issues and potential future problems that may need to be addressed. Therefore, this section of the report profiles existing jobs in the City of Loveland and provides projections of the number and types of jobs expected in the future. A summary of commuter flows (where residents work and where employees live) is also provided. Finally, issues expressed by local businesses through the employer surveys are presented.

Profile of Jobs in the City of Loveland

Based on estimates from the North Front Range Travel Model, the City of Loveland had about 34,944 total jobs in 2003.¹ Most of these jobs (82.8 percent, or 28,946 jobs) were “reported” jobs subject to unemployment insurance reporting requirements (QCEW jobs). An additional 2,971 jobs (8.5 percent) were self-employed proprietors and the remaining 3,027 jobs (8.7 percent) were held by contract workers.



Source: Quarterly Census of Employment and Wages (ES202);
North Front Range Travel Model; RRC Associates, Inc.

The following table summarizes Loveland QCEW employment by industry sector, based on North American Industry Classification System (NAICS) categories, and average

¹ It should be noted that the model Traffic Analysis Zone (TAZ) boundaries do not exactly coincide with Loveland city boundaries. Therefore, the actual reported area includes some areas adjacent to, but outside of, the 2003 Loveland city boundaries. Further, the model estimates for total jobs for each TAZ excludes self-employed workers. Using data from the CBEF report and the NFRMPO model, it is estimated that self-employed workers comprised about 8.5 percent of jobs in the Larimer-Weld County modeling area in 2003 (which encompasses most of eastern Larimer and western Weld counties, including the I-25 corridor). This same ratio was applied to the NFRMPO city of Loveland estimates to generate total jobs in the Loveland area.

annual wages paid by sector, as estimated from 3rd quarter 2003 employment. Based on this table:

- *Jobs by Sector:* The largest employment sectors in Loveland are manufacturing (14.8 percent) and retail (14.5 percent), followed by construction (10.2 percent), health care & social assistance (9.9 percent), accommodation & food services (9.4 percent), educational services (7.2 percent), and administrative & waste services (5.6 percent).
- *Wages by Sector:* The average annual wage paid by all City of Loveland employers as calculated from third-quarter 2003 wages was \$34,600. The largest employment sectors are divided between manufacturing, which pays the highest average wage (\$61,047) of other industries, and retail, which pays the fourth-lowest average wage (\$22,414), next to agriculture (\$20,119), arts, entertainment, & recreation (\$15,191) and accommodation & food services (\$10,545).

City of Loveland ES202 Employment and Wages by Sector
3rd Quarter 2003

	<i>Employment</i>	<i>% of Employment</i>	<i>Average Annual Wage</i>
Agriculture, Forestry, Fishing, Hunting	166	0.6%	\$20,119
Mining	92	0.3%	\$38,311
Utilities	5	0.0%	\$33,802
Construction	2,964	10.2%	\$37,299
Manufacturing	4,274	14.8%	\$61,047
Wholesale Trade	867	3.0%	\$38,153
Retail Trade	4,211	14.5%	\$22,414
Transportation & Warehousing	1,435	5.0%	\$32,875
Information	1,164	4.0%	\$37,187
Finance & Insurance	860	3.0%	\$39,758
Real Estate, Rental & Leasing	416	1.4%	\$28,200
Professional & Technical Services	966	3.3%	\$37,491
Management Of Companies & Enterprises	40	0.1%	\$57,046
Administrative & Waste Services	1,631	5.6%	\$31,182
Educational Services	2,070	7.2%	\$33,158
Health Care & Social Assistance	2,880	9.9%	\$35,816
Arts, Entertainment & Recreation	277	1.0%	\$15,191
Accommodation & Food Services	2,735	9.4%	\$10,545
Other Services	725	2.5%	\$22,539
Government	1,169	4.0%	\$41,638
Non-classifiable	1	0.0%	\$60,000
<i>Total All Industries</i>	<i>28,946</i>	<i>100%</i>	<i>\$34,600</i>

Source: Colorado Department of Labor and Employment –Quarterly Census of Employment and Wages (ES202). Estimates based on 3rd quarter 2003 reported employment in the City of Loveland.

Projected Growth of Population and Jobs

Because housing demand in the City of Loveland is affected by local and regional changes in population and employment, population and job growth for the City of Loveland is compared to that for the Larimer-Weld modeling area as defined in the North Front Range Regional Travel Model.²

- **Population growth:** Loveland is projected to add about 10,800 people between 2003 and 2010; an increase of about 18.5 percent. In comparison, the population in the Larimer-Weld modeling area is projected to increase by a lower 11.9 percent (47,075 people) during the same period. As a result, Loveland's share of the Larimer-Weld modeling area population is anticipated to increase from about 14.8 percent in 2003 (58,172 people) to 15.6 percent in 2010 (68,941 people).

Population Projections, 2003 to 2010 Larimer-Weld Modeling Area and Loveland Compared

	2003	2004	2005	2010
Larimer-Weld Modeling area ^{1,3}	394,225	399,645	405,100	441,300
Loveland ²	58,172	60,115	61,871	68,941
% of Larimer County population in Loveland ^{1,2,3}	14.8%	15.0%	15.3%	15.6%

Source: ¹DOLA, Colorado Division of Local Government; ²City of Loveland Long Range Planning Department; ³RRC Associates, Inc.

- **Job growth:** Based on the NFRMPO model and the 2003 CBEF estimates for Larimer and Weld Counties, it is estimated that jobs in Loveland will grow by about 17.1 percent between 2003 and 2010, or an average of about 2.3 percent a year. This is a slightly higher rate of growth than projected for the Larimer-Weld modeling area as a whole (14.1 percent) during this same time period. As a result, the total number of jobs in Loveland is expected to increase slightly as a percentage of all Larimer-Weld modeling area jobs, from about 15.5 percent in 2003 (34,944 jobs) to 15.8 percent in 2010 (40,931 jobs). In total, about 5,987 jobs are projected to be added to the Loveland area during this period.

Total Jobs, 2003 to 2010: Larimer-Weld Modeling Area and Loveland Compared

	2003	2004	2005	2010
Larimer-Weld Modeling area jobs ^{1,3}	225,731	229,365	233,088	257,522
Loveland jobs ^{1,2,3}	34,944	35,739	36,552	40,931
% of Larimer County Jobs Located in Loveland ^{1,2,3}	15.5%	15.6%	15.6%	15.8%

Sources: ¹"Forecasts of Jobs and Population for the North Front Range Modeling Area," CBEF;

²NFRMPO Regional Travel Model; ³RRC Associates, Inc.

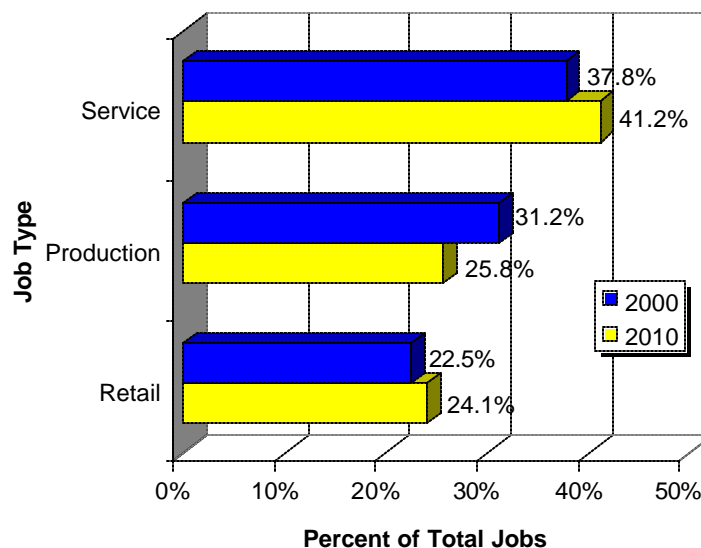
² The modeling area incorporates most of eastern Larimer County (including incorporated Wellington, Fort Collins, Loveland, Windsor, Berthoud and surrounding unincorporated areas) and western Weld County (including Pierce through Greeley, Evans and Mead plus neighboring unincorporated areas). The modeling area excludes areas in western Larimer County (including areas west of Loveland and Fort Collins) and the southern portion of Weld County (south of Mead), where growth is driven by the Metro Denver economy. A map of the modeling area is included in the Appendix.

- **Job Growth by Category:** The mix of jobs in Loveland (excluding self-employed workers) is anticipated to shift more toward service type jobs between 2000 and 2010 when analyzed at broad categorical levels (based on aggregations of Standard Industrial Classification [SIC] categories as projected by the NFRMPO). Between 2000 and 2010, the proportion of jobs in “services” (including services, finance/ insurance/ real estate and public administration) is anticipated to rise from 41 percent to about 45 percent; the share of jobs in “retail” is anticipated to increase slightly from about 25 percent to 26 percent; and the share of Loveland jobs that involve production and distribution (including agriculture, mining, construction, manufacturing, transportation, utilities and wholesale trade) are anticipated to decline from 34 percent to 28 percent. These production-distribution “basic” jobs are those that are based on outside dollars flowing into the local economy.

Part of the projected increase in “service” jobs will occur as a result of many current pending and underway developments, including:

- A new medical complex for the Skyline Medical Center, expected to employ 60 individuals;
- A new regional hospital in Centerra for Poudre Valley Health Systems, expected to employ about 600 people;
- Anticipated relocation of Heska corporate headquarters to Centerra, employing about 145 people; and
- Expansion of the McKee Medical Center facility, which is anticipated to add 700 employees upon completion of the project.

**Percentage Distribution of Jobs by Category (SIC):
Loveland, 2000 and 2010**



Source: NFRMPO Regional Travel Model

Jobs Per Employee

Based on the 2004 Household Survey, employed Loveland residents hold an average of about 1.15 jobs. Assuming this remains constant through 2010, this would result in an increase of about 4,515 employees between 2004 and 2010.

Total Jobs, 2003 to 2010

	2003	2004	2005	2010
Loveland jobs ^{1,2,4}	34,944	35,739	36,552	40,931
Jobs per employee ³	1.15	1.15	1.15	1.15
Loveland employees ⁴	30,386	31,077	31,784	35,592

Sources: ¹ "Forecasts of Jobs and Population for the North Front Range Modeling Area," CBEF; ² NFRMPO Regional Travel Model; ³ 2004 Household Survey; ⁴ RRC Associates, Inc.

Employees Per Household

Based on the 2004 Household Survey, there is also an average of about 1.2 employees per household in Loveland. *Of households with at least one employed person (i.e., excluding retired and otherwise unemployed households), there is an average of about 1.6 employed persons per household.*

Commuter Flows

Based on preliminary journey-to-work information from the Bureau of Transportation Statistics (based on the 2000 US Census), the City of Loveland provides a significant number of jobs for neighboring residents, as well as housing for workers in surrounding areas, in addition to serving their own population. In other words:

- Less than half of Loveland workers live in the City of Loveland (47 percent). Of the 53 percent living in other areas, 19 percent live in unincorporated Larimer County, 17 percent in Fort Collins and 4 percent in Greeley. Based on the estimated number of Loveland employees in 2004, this equates to about 14,743 employees that live and work in Loveland and 16,329 that commute outside of Loveland for work.
- Additionally, less than half of Loveland's working residents are employed in Loveland (46 percent). Of the 54 percent that are employed elsewhere, 19 percent are employed in Fort Collins, 9 percent in Unincorporated Larimer County and 5 percent in Longmont. Based on the estimated number of Loveland residents that work in 2004, this equates to about 14,743 residents that also work in Loveland and 17,180 residents that commute outside of Loveland for work.

These worker-flow dynamics emphasize the influence that regional changes in population and jobs have on the community of Loveland in terms of housing demand, available housing for the local workforce and jobs for local residents.

Where Loveland Employees Live

<i>Place of Residence</i>	<i>Percent of Employees (2000 Census)</i>	<i>Number of Employees (2004 estimate)</i>
Loveland	47.4%	14,743
Unincorporated Larimer County	19.3%	5,992
Fort Collins	16.6%	5,157
Greeley	4.2%	1,305
Unincorporated Weld County	2.7%	829
Berthoud	1.3%	396
Windsor	1.3%	390
Longmont	1.2%	383
Other Incorporated Larimer County	1.1%	340
Other Incorporated Weld County	1.8%	571
Other Colorado	2.6%	805
Other State	0.5%	166
TOTAL	100%	31,077

Source: Bureau of Transportation Statistics, Census Transportation Planning Package (CTPP) 2000; RRC Associates, Inc.

Where Loveland Residents Work

<i>Place of Residence</i>	<i>Percent of Employees (2000 Census)</i>	<i>Number of Employees (2004 Estimates)</i>
Loveland	46.2%	14,743
Fort Collins	19.3%	6,172
Unincorporated Larimer County	9.4%	3,012
Longmont	5.2%	1,645
Greeley	3.5%	1,125
Unincorporated Weld County	3.1%	983
Boulder	2.7%	872
Denver	2.2%	705
Other Incorporated Larimer County	2.0%	637
Other Incorporated Weld County	1.1%	359
Other Colorado	4.5%	1,452
Other State	0.7%	219
TOTAL	100%	31,923

Source: Bureau of Transportation Statistics, Census Transportation Planning Package (CTPP) 2000; RRC Associates, Inc.

Results from the Household Survey exhibit slightly different resident commuting patterns than the 2000 Census. As shown below, a higher percentage of employees reported living and working in Loveland (55.6 percent) on the 2004 Household Survey than on the 2000 Census (46.2 percent), a higher percentage reported working in Fort Collins than in 2000 (24.1 versus 19.3 percent, respectively) and a higher percentage reported working in Denver than in 2000 (4.2 versus 2.2 percent, respectively). This translates to an estimated 57.1 percent of Loveland jobs (20,415 total) being held by Loveland residents

in 2004. This most likely reflects changes in employment that happened post-Census with the general decline in the economy.

Where Loveland Residents Work, 2004

<i>Place of Residence</i>	<i>Percent of Employees (2004 Household Survey)</i>	<i>Number of Employees (2004 Estimates)</i>
Loveland	55.6%	17,752
Fort Collins	24.1%	7,705
Longmont	6.3%	2,005
Greeley	4.8%	1,531
Denver	4.2%	1,350
Windsor	3.7%	1,176
Berthoud	3.0%	957
Boulder	2.9%	940
Other	7.5%	2,407
<i>TOTAL</i>	<i>100%</i>	<i>31,923</i>

Source: 2004 City of Loveland Household Survey; RRC Associates, Inc.

Loveland Resident Local and Out-Commuter Households

The demographics and preferences of Loveland residents that work in Loveland and Loveland residents that work outside of Loveland are largely similar. Both groups of respondents have similar ownership rates (73 percent versus 78 percent, respectively), household types, median household incomes (\$52,000 to \$53,000), preferences when searching for a residence, and percentage of owner households looking to purchase a different home (33 to 34 percent). These similarities most likely extend from the regional worker-flow dynamics discussed above, where the Loveland area attracts households with similar characteristics and income levels regardless of resident work location. The differences that are apparent are generally related to worker location preferences and stability, where:

- Loveland residents that also work in Loveland are slightly more likely to be single-parent households (9 percent) than Loveland residents that work elsewhere (5 percent);
- When looking for a residence, proximity to places of employment is slightly more important to Loveland residents that also work in Loveland than residents working elsewhere; and
- Loveland residents that work in Loveland and presently rent are more likely to want to purchase a home (73 percent) than Loveland residents that work elsewhere (64 percent).

However, differences are apparent when Loveland residents are asked why they are interested in purchasing a new or different home, where:

- Owners looking to purchase a new home that live and work in Loveland are also more likely to want to find a different style home or a smaller home than residents

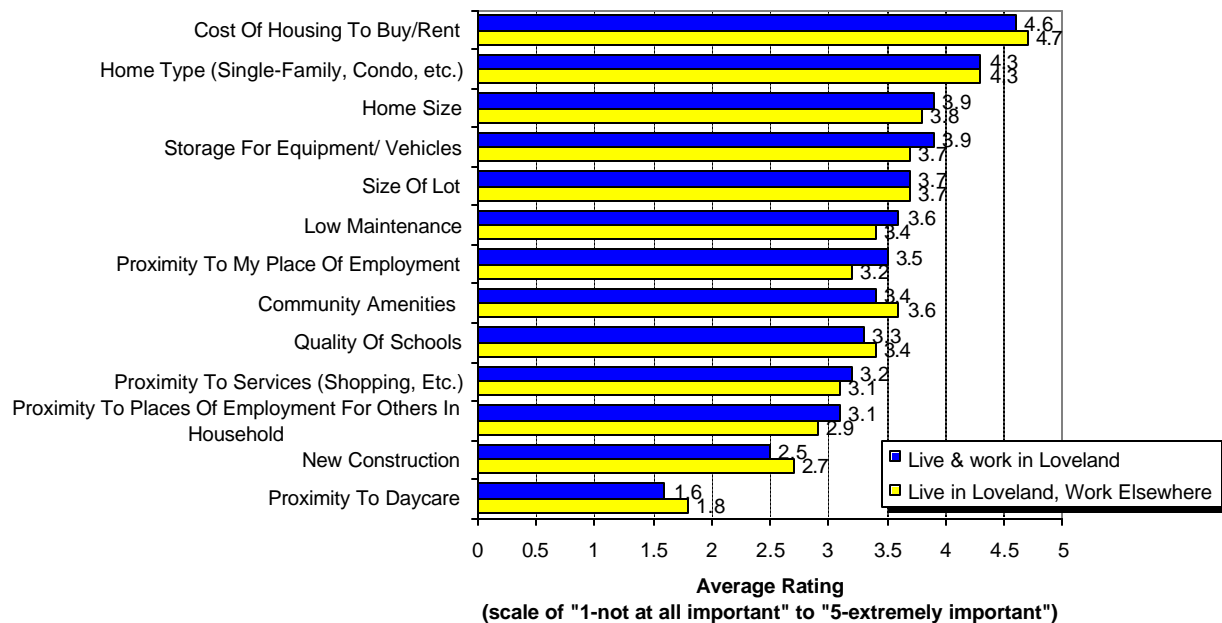
working elsewhere. Conversely, residents working elsewhere are more likely to want a larger home, to live in a different community and to be closer to work than residents working in Loveland; and

- Renters looking to purchase a home are equally discouraged by high down payment requirements. However, renters that live and work in Loveland are more likely to indicate “total cost” as a barrier to ownership than residents working elsewhere, whereas residents working elsewhere are more likely to indicate they cannot find housing they can afford where they want to live, that it is cheaper to rent and that they cannot qualify for a loan.

Comparison of Resident Worker Household Characteristics And Preferences

<i>Tenure</i>	<i>Live & work in Loveland</i>	<i>Live in Loveland, Work Elsewhere</i>	<i>Why Owners Are Looking For a Different Home</i>	<i>Live & work in Loveland</i>	<i>Live in Loveland, Work Elsewhere</i>
Own	73%	78%	To find a larger home	44%	62%
Rent	27%	22%	To find a different style home (e.g., Ranch-style unit)	38%	22%
<i>Household Type</i>			To live a different community	25%	40%
Adult living alone	17%	17%	To find a smaller home	15%	2%
Couple, no children	30%	28%	To be closer to work	12%	16%
Couple, with children	41%	42%	To be closer to family	7%	9%
Single parent with children	9%	5%	Other reason	22%	20%
Unrelated roommates	1%	4%	<i>Why Renters Have Not Bought A Home</i>		
Other	3%	5%	High down payment requirement	65%	64%
<i>Median Household Income</i>			Housing in my price range not available where I want to live	44%	58%
	\$53,312	\$52,307	Can't qualify for a loan	49%	64%
<i>Want to Buy</i>			Total cost	56%	42%
% of owners that want to buy	33%	34%	Cheaper to rent	30%	50%
% of renters that want to buy	73%	64%	Other	12%	14%

Important Factors When Looking For A Home



Source: 2004 Loveland Household Survey

Loveland In-Commuter Households

Loveland employees that live outside of Loveland show some distinct differences from Loveland residents, where Loveland employees that live elsewhere:

- Are more likely to own their homes (88 percent);
- Have higher median household incomes (\$65,000);
- Place slightly higher priority on “size of lot” when looking for a place to live;
- Are less likely to be single-person or single-parent households; and
- Renters are more likely to want to purchase a residence, where “total cost” is the most significant reason why renters have not yet bought a home.

In questions asked that were unique to the employee survey, in-commuters indicated they would be most likely to consider single-family homes (75 percent), distantly followed by attached condominiums, townhomes/duplexes or rented apartments (6 percent each) when searching for a new residence. In addition, a significant 47 percent of Loveland employee households that commute into Loveland for work indicated they would consider moving to Loveland if housing was available that they could afford to buy or rent. Of the 53 percent that would not consider moving to Loveland, many expressed that they are established in and enjoy their present community, their present household is closer to the place of work for themselves or others in their household, they prefer the country and large lots (i.e., Loveland is too big and congested) and Loveland is too small and does not have all the amenities they prefer. A few respondents indicated that the quality of schools in Loveland was a problem. Samples of comments are provided below, with the full listing of comments included in the Appendix to this report.

(If you currently do not live in Loveland) Would you consider moving to Loveland if housing were available that you could afford to buy (or rent if that is your preference)? NO - WHY NOT?

- | | |
|--|--|
| <ul style="list-style-type: none">• I want to buy a home, but I am not even sure what I would qualify for at this time. Not too much I do know that, especially with other bills like student loans and such!• Loveland is too big• Not enough to do in town for my demographic• Small lots• Would not want to change school districts for my high school child, would consider Loveland after her graduation.• Fort Collins works best for our jobs and lifestyle• Love the home I have; drive is worth the peace and quiet• Tried it once, didn't like all the people• Want to be in a little bigger of a city• Amenities are too few• I work in Fort Collins• Child is going to school in Fort Collins | <ul style="list-style-type: none">• Like country living• Like living in smaller community• Like Poudre Schools• Loveland is too congested• Not interested in moving at this time, cost of living in Loveland higher than where I live.• Prefer living in a community influenced by existence of a university.• Prefer mountain location• Schools!!!!!!!• Too far from spouses work• Traffic / size / schools• I like where I am and it is close to where my mother works.• I prefer the culture and diversity of Fort Collins |
|--|--|

In-Commuter Household Characteristics

<i>Tenure</i>	<i>In-Commuters to Loveland</i>
Own	88%
Rent	12%

<i>Household Type</i>	
Couple, with children	39%
Couple, no children	32%
Adult living alone	12%
Immediate and extended family members	7%
Single parent with children	5%
Unrelated roommates	4%
Other	2%

<i>Median Household Income</i>	\$65,000
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<i>Want To Buy</i>	<i>In-Commuters to Loveland</i>
<i>% of owners that want to buy</i>	33%
% of renters that want to buy	88%

<i>Why Renters Have Not Bought A Home</i>	
Total cost	50%
High down payment required	36%
Housing in my price range not available where I want to live	36%
Cheaper to rent	36%
Can't qualify for a loan	27%
Lack of housing choice (e.g. no single family homes)	9%
Other	32%

<i>Would You Consider Moving to Loveland</i>	
Yes – Buy	41%
Yes – Rent	6%
No	53%

In-Commuter Household Preferences

<i>Important Factors When Looking For A Home</i>	<i>In-Commuters to Loveland</i>	<i>If You Were To Buy Or Rent A Different Home, Which Type of Home Would You Most Likely Choose</i>	<i>In-Commuters to Loveland</i>
Cost Of Housing To Buy/ Rent	4.6	Single-family home	75%
Home Type (SF, Duplex, Condo, Etc.)	4.4	Condominium	6%
Home Size	4.0	Townhome/ Duplex	6%
Size Of Lot	3.9	Rented apartment	6%
Storage For Equipment/ Vehicles	3.8	Mobile home	3%
Low Maintenance	3.6	Live/ work space: (place to live connected to a workspace)	3%
Proximity To My Place Of Employment	3.5	Manufactured housing unit	1%
Community Amenities (Libraries, Etc.)	3.4		
Quality Of Schools	3.3		
Proximity To Services (Shopping, Transp., Etc.)	3.0		
Proximity To Places Of Employment Of Other Household Members	3.0		
New Construction	2.6		
City Of Loveland Services & Facilities	2.1		
Proximity To Daycare	1.5		

Source: 2004 Loveland Employee Survey

Loveland Employers

Businesses replying to the employer survey comprised a good mix of business types and sizes in the City of Loveland. A summary of the survey results is presented on the next page, with highlights discussed below:

- Loveland's employment outlook is positive, where only 3 percent of respondents indicated they anticipate decreasing their number of employees within one year. Businesses indicating potential growth were associated within one year and 28 percent expect to increase their number primarily with construction, manufacturing/wholesale and professional and medical service trades.
- Businesses indicated that their ability to retain and recruit employees has stayed about the same over the past 3 years (59 percent), with 22 percent indicating it has gotten harder and 13 percent indicating the situation has improved.
- About 65 percent of businesses indicated that housing is generally an important issue to prospective employees, where 26 percent of businesses reported that they have had applicants turn down jobs due to the cost/availability of housing. Related to housing needs, many businesses have experienced unqualified applicants and employee turnover. Absenteeism, tardiness and unfilled jobs, while they sometimes occur, are generally not a problem for the majority of employers.
- Employers indicated that some of their employees had only moderate difficulty, on average, in finding housing; primarily the lower-wage workers. Manufacturing personnel (3.1 average on a scale of "1-no difficulty" to "5-major difficulty") were perceived to have the most difficulty, followed by entry-level professionals (2.9 average). Mid- and upper-management were generally perceived to not have difficulty finding housing.
- About 97 percent of businesses do not provide housing assistance to their employees and 53 percent are not willing to support housing for their employees in the future (with 44 percent uncertain). However, they would largely support local efforts that provide affordable rentals and entry-level purchase housing for employees (62 and 69 percent each).
- Overall, businesses generally agree that the current mix of housing in Loveland meets the needs of their business and employees (3.0 average on a scale of "1-strongly disagree" to "5-strongly agree") and that the cost and availability of housing in the area will generally become of more concern to employees in the future as the economy continues to improve (3.7 average).
- Employers are mixed in their opinions about the extent to which housing for employees and residents is a problem in Loveland. About 23 percent of businesses feel affordable/employee housing in Loveland is a serious problem, where 61 percent consider it a problem among others that need attention. None responded that it is "the most critical problem in the city and 6 percent feel it is not a problem.
- In the open-ended comments, businesses generally stated that it is mainly the entry-level workers that have problems finding housing in Loveland, otherwise housing is

generally available. Out-of-state recruitment was cited by several businesses as a problem, where many applicants express “sticker-shock” at the price of housing and overall cost-of-living in the area. Many qualified employees often find Berthoud, Windsor and Greeley to be less expensive than Loveland.

Employer Survey Results

Type of Business	2004
Construction	19%
Education	3%
Finance/ banking	6%
Lodging/ hotel	3%
Manufacturing or wholesale trade	22%
Medical profession	3%
Professional services	6%
Other services	9%
Retail sales	16%
Other	13%

Number of Employees

Less than 20	25%
20 to 49	47%
50 to 99	19%
100 or more	9%
Average Number	51.4

Within One Year, Do You Plan To:

Increase number of employees	28%
Reduce number of employees	3%
Stay about the same	63%
Don't know	6%

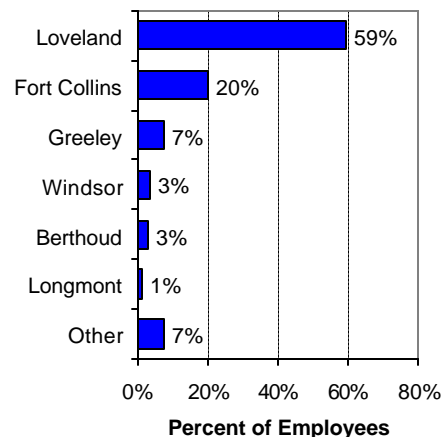
How long has this business been operating in the Loveland area?

Less than 2 years ago	3%
2 - 5 years	6%
5 - 10 years	25%
10 - 20 years	31%
More than 20 years	34%

Does your business provide your employees with any of the following work commute options?

NONE	67%
Car pooling/ van pooling	3%
On-site company vehicle for employee errands	17%
Travel stipend (employer covers employee commuting costs)	13%
Telecommuting	10%
Other	3%
TOTAL	113%

Where Do Your Employees Live?



Do you feel affordable/employee housing for Loveland residents and employees is:

The most critical problem in the city	0%
On of the more serious problems in the city	23%
A problem among others needing attention	61%
One of our lesser problems	10%
I don't believe it is a problem	6%

Do you provide housing assistance to any of your employees?

Yes	3%
No	97%

In the future, would you be willing to assist with employee housing?

Yes, for any employee in the community	3%
No, I am not willing to support housing for employees	53%
Uncertain	44%

How has your ability to recruit and retain employees changed over the past 3 years?

Improved/ gotten easier	13%
Stayed about the same	59%
Declined/ gotten harder	22%
Don't know/ not applicable	6%

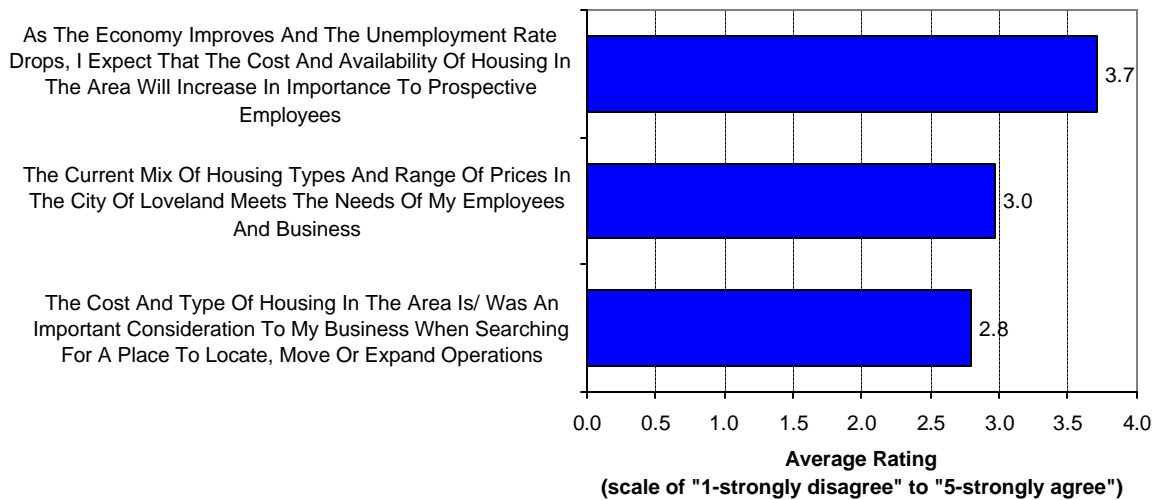
Is the cost and type of housing important to prospective employees:

Yes-have had employees turn down jobs due to lack of housing	26%
Yes-but have never turned down a job as a result of housing	39%
No-housing is not an important consideration of employees	16%
Unsure/ Don't know	19%

Which of your employees have the greatest difficulty locating housing in the area?

Manufacturing Personnel	3.1
Entry Level Professionals	2.9
Retail/ Service Clerks	2.8
General Labor (Landscaping, Etc.)	2.8
Office Support Staff	2.6
General Service (Nursing assts, Etc.)	2.5
Mid-Management	1.9
Upper Management	1.7

***To what extent do you agree with the following?
(Scale of "1-strongly disagree" to "5-strongly agree")***



<i>Problems experienced attributed to housing:</i>	<i>Never</i>	<i>Sometimes</i>	<i>Often</i>
Employee turnover	46%	54%	0%
Unqualified applicants	56%	36%	8%
Tardiness	59%	41%	0%
Absenteeism	69%	31%	0%
Unfilled jobs	77%	23%	0%

<i>Would you support local efforts to encourage any of the following:</i>	<i>Yes</i>	<i>No</i>	<i>Uncertain</i>
Affordable Rental Housing For Entry-Level Workers	62%	3%	34%
Entry-Level Housing To Purchase	69%	3%	28%
Move-Up Housing To Purchase	41%	7%	52%

Source: 2004 Employer Survey

Comments On Your Experience Recruiting/Retaining Employees:

- ? Due to cost of living and our beginning wage, recruiting is sometimes difficult
- ? Had a couple of employees that had to leave because of cost of housing
- ? If they are from surrounding other states - we are usually higher prices than they are use to - (sic)

- ? Many qualified employees and candidates live in other communities that they describe as less expensive than Loveland (Berthoud, Windsor, Greeley, etc.)
- ? Out-of-state applicants often have "sticker shock" at the cost of housing
- ? Recent employees comment favorably about the cost of living in the Loveland area
- ? We have had difficulty recruiting from other states (midwest and south) due to not only housing but our overall cost of living
- ? We have only 6 employees (out of 72) living in Loveland - everyone else commutes

General Comments About Housing Issues

- ? "Affordable" housing in this area isn't affordable to those with jobs at Wal-Mart or outlet malls. The "affordable" jobs have left the country.
- ? Housing for entry level employees in the manufacturing business is out of reach. People making less than \$10 per hour struggle with owning or leasing and employers can not pay more and stay competitive in the international manufacturing market.
- ? Loveland housing is adequate but a little pricey for entry level jobs
- ? My employees cannot afford to buy homes in Loveland. They rent or move east.
- ? The requirements of the city make it extremely hard for new developments and renovations to be cost effective. This has a direct impact on housing affordability. It also has a detrimental effect on new business and expansion of old business.
- ? We don't know, or believe any of the above (*the problems listed in Q.11*) is due to housing. But we've had all of the above happen often.
- ? Without affordable housing it is hard for our service type people to live in the area, C-stores, rest., labors, manuf. etc.

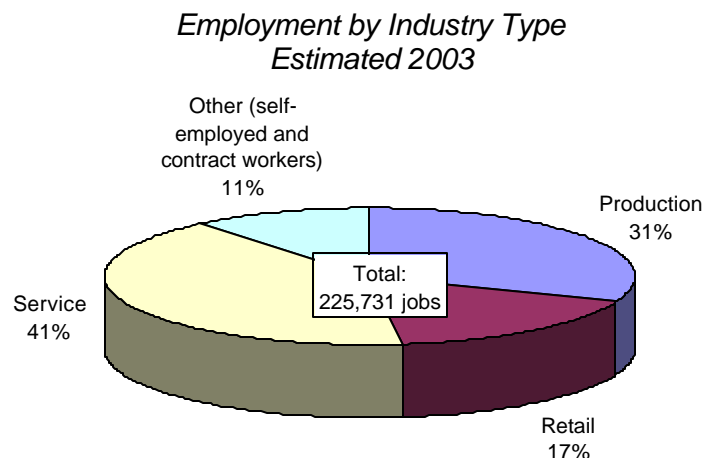
Source: 2004 Employer Survey

Regional Trends

This section of the report evaluates projected changes in types of employment, number of employees and number of households within the Larimer-Weld region. Regional events affect the local employment and housing situation in the City of Loveland. Understanding changes in the regional economy and related changes in jobs and households can help identify potential housing and employee related pressures in the area, and locally, in the future.

Profile of Jobs in the Larimer-Weld Region

Based on estimates from the CBEF report “Forecast Of Jobs And Population For The North Front Range Modeling Area,” the Larimer-Weld region had a total of 225,731 jobs in 2003.³ About 41 percent were estimated to be “service” related jobs (including services, finance/insurance/ real estate and public administration), 31 percent related to “production” and distribution (including agriculture, mining, construction, manufacturing, transportation, utilities and wholesale trade) and 17 percent related to “retail.” An additional 11 percent are estimated to be contract workers and self-employed persons.



Source: “Forecasts of Jobs and Population for the North Front Range Modeling Area,” CBEF.

The following tables summarize Larimer and Weld County 2003 QCEW employment by industry sector, based on North American Industry Classification System (NAICS) categories, and average annual wages paid by sector. Based on this table:

- **Jobs by Sector:** Larimer and Weld Counties show similar job sector patterns, where government, manufacturing and retail comprise the largest percentage of QCEW reported jobs in Larimer and Weld Counties at about 44 percent and 41 percent of

³ The Larimer-Weld modeling area excludes those portions of Larimer County lying west of Fort Collins and Loveland and includes the region along I-25 starting north of Wellington and south through Berthoud. The Weld County region encompassed by Nunn to the North, Mead to the south and Greeley to the east. A map of this region is included in the Appendix to this report and in the latter part of this section.

jobs, respectively. Agriculture and mining plays a larger role in Weld County, whereas services account for a larger share of Larimer County's jobs.

- *Wages by Sector:* The average annual wage paid by all Larimer County employers (\$34,788) is slightly higher than that for Weld County (\$31,668). Jobs in mining, utilities, transportation and warehousing and management of companies pays higher on average in Weld County, whereas jobs in government, manufacturing and professional and technical services pay higher wages on average in Larimer County. The dominant sectors of manufacturing, retail and government in both counties pay above average, well below average and about average wages, respectively.

2003 QCEW Employment And Wages By Sector

Larimer County	Employment % of Employment		Average Annual Wage
Agriculture, Forestry, Fishing, Hunting	707	0.6%	\$24,544
Mining	319	0.3%	\$37,232
Utilities	216	0.2%	\$50,232
Construction	9,416	7.8%	\$36,764
Manufacturing	14,838	12.4%	\$64,636
Wholesale Trade	2,824	2.4%	\$41,132
Retail Trade	15,922	13.3%	\$22,100
Transportation & Warehousing	2,234	1.9%	\$31,044
Information	2,447	2.0%	\$39,728
Finance & Insurance	3,190	2.7%	\$43,940
Real Estate, Rental & Leasing	2,047	1.7%	\$26,728
Professional & Technical Services	6,246	5.2%	\$45,968
Management Of Companies & Enterprises	165	0.1%	\$47,892
Administrative & Waste Services	6,923	5.8%	\$25,480
Educational Services	958	0.8%	\$22,308
Health Care & Social Assistance	11,886	9.9%	\$34,372
Arts, Entertainment & Recreation	1,743	1.5%	\$13,000
Accommodation & Food Services	13,190	11.0%	\$11,804
Other Services	3,044	2.5%	\$23,504
Government	21,728	18.1%	\$39,208
Non-classifiable	2	0.0%	\$47,320
Total All Industries	120,046	100.0%	\$34,788

Weld County	Employment % of Employment		Average Annual Wage
Agriculture, Forestry, Fishing, Hunting	3,322	4.6%	\$22,932
Mining	1,362	1.9%	\$48,412
Utilities	239	0.3%	\$59,540
Construction	6,395	8.8%	\$36,088
Manufacturing	10,435	14.4%	\$41,392
Wholesale Trade	3,242	4.5%	\$43,108
Retail Trade	7,830	10.8%	\$23,192
Transportation & Warehousing	1,921	2.6%	\$35,932
Information	995	1.4%	\$38,324
Finance & Insurance	2,966	4.1%	\$41,288
Real Estate, Rental & Leasing	871	1.2%	\$26,052
Professional & Technical Services	1,623	2.2%	\$37,752
Management Of Companies & Enterprises	713	1.0%	\$67,652
Administrative & Waste Services	4,086	5.6%	\$21,840
Educational Services	265	0.4%	\$21,320
Health Care & Social Assistance	7,009	9.6%	\$32,708
Arts, Entertainment & Recreation	694	1.0%	\$13,260
Accommodation & Food Services	5,223	7.2%	\$10,088
Other Services	1,725	2.4%	\$21,788
Government	11,730	16.1%	\$31,876
Non-classifiable	2	0.0%	\$38,584
Total All Industries	72,650	100.0%	\$31,668

Projected Growth of Jobs

Total Jobs: The following table compares CBEF projections of job growth in the Larimer-Weld modeling area to that of the Larimer County and Weld County portions of the modeling area. This table shows that jobs are expected to grow faster on a percentage basis in Weld County (76 percent) than in Larimer County (64 percent) between 2004 and 2030. However, Larimer County is expected to add more jobs in total during this period (94,600) than Weld (62,000).

**Projected Jobs, 2003 to 2030:
Larimer County, Weld County and the Larimer-Weld Modeling Area**

	2003	2004	2005	2010	2020	2030	2004 – 2030 % change
Larimer-Weld Modeling area	225,731	229,365	233,088	257,522	321,190	385,993	68.3%
Larimer County (Modeling area)	146,011	147,880	149,777	164,913	204,851	242,489	64.0%
Weld County (Modeling area)	79,720	81,485	83,311	92,609	116,339	143,504	76.1%

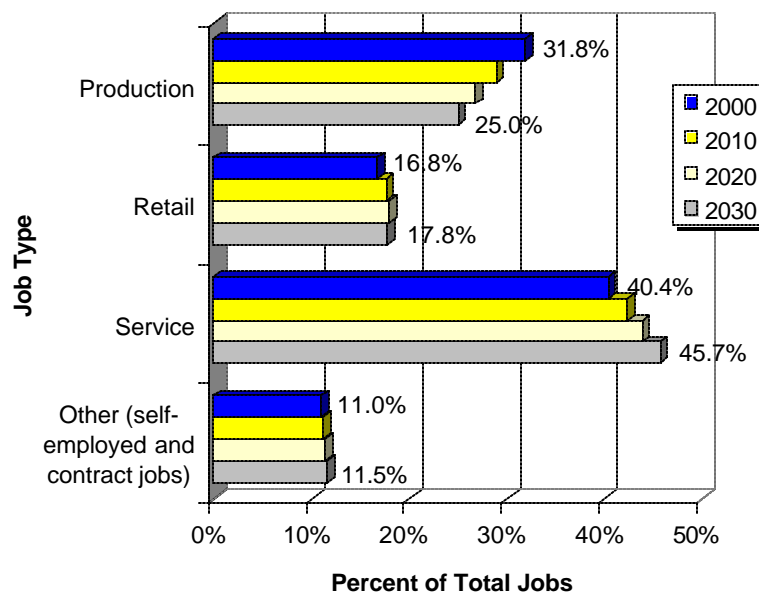
Sources: "Forecasts of Jobs and Population for the North Front Range Modeling Area," CBEF; RRC Associates, Inc.

Job Growth by Category: The mix of jobs in the Larimer-Weld modeling area is projected to become much more service oriented in the future, increasing from 40 percent of jobs in 2000 to almost 46 percent in 2030. Retail is expected to increase only slightly during this same time period (from about 17 percent in 2000 to 18 percent in 2030) and production jobs are expected to decrease significantly in percentage, from about 32 percent in 2000 to 25 percent in 2030. "Other" jobs are expected to remain fairly constant, at about 11 percent.

This shift is not expected to occur evenly between the Larimer and Weld County modeling areas, where:

- Production jobs are projected to decline as a percentage of total jobs in both counties by about 7 to 8 percentage points;
- Retail jobs are projected to increase by about 3 percentage points in Larimer County and decrease by about 2 percentage points in Weld County;
- Service jobs are projected to increase in both counties, but by a larger percentage in Weld County (9 percentage points) than in Larimer (3 percentage points); and
- "Other" jobs are projected to remain about the same in both counties.

**Percentage Distribution of Jobs by Category (SIC):
Larimer-Weld Modeling Area, 2000 to 2030**



**Percentage Distribution of Jobs by Category (SIC):
Larimer And Weld Modeling Areas, 2000 and 2030**

	Larimer		Weld	
	2000	2030	2000	2030
Production	28.4%	21.8%	38.3%	30.4%
Retail	18.9%	21.9%	12.7%	10.9%
Service	40.7%	43.9%	39.8%	48.6%
Other (self-employed and contract jobs)	12.0%	12.4%	9.2%	10.1%

Source: "Forecasts of Jobs and Population for the North Front Range Modeling Area," CBEF.

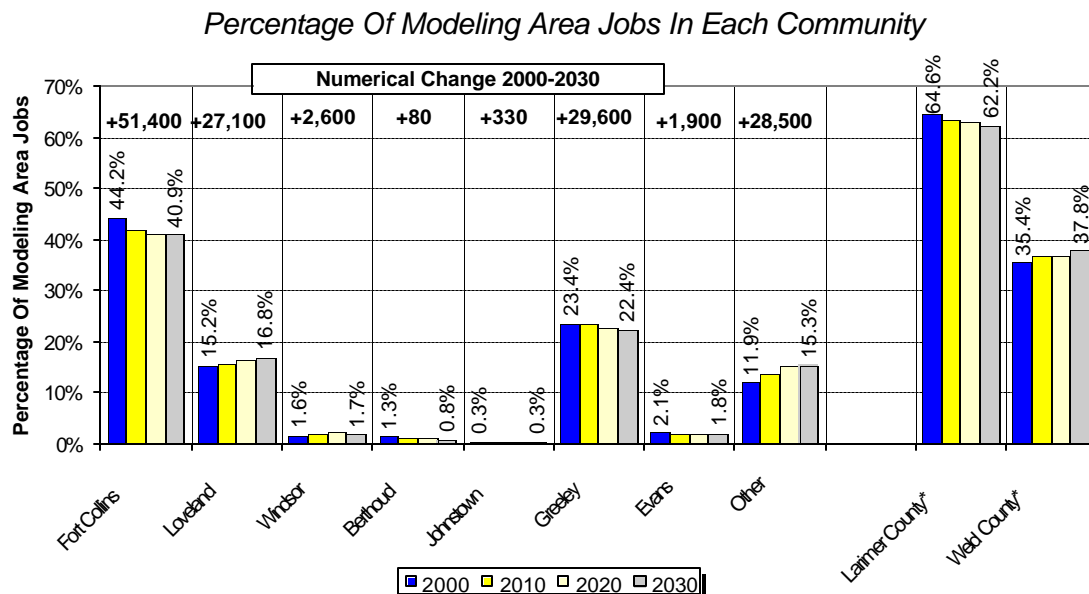
Projected Growth Of Jobs And Households By Community

CBEF and NFRMPO projections of changes in jobs and households in the Larimer-Weld modeling area between 2000 and 2030 are discussed below. The following graphs show the relational percentage change in jobs and households by community within the Larimer-Weld modeling area. Projected numerical changes in jobs (excluding self-employed workers) and households between 2000 and 2030 are also shown. It should be noted that the reported numerical changes in jobs and households are intended to illustrate the relational change in jobs and households by region rather than absolute counts of added jobs and households during the thirty-year period. This is because many unforeseen factors may affect the actual number of jobs and households added to an area.

- *Job growth:* Weld County's employment base (excluding contract and self-employed workers) is anticipated to grow at a faster rate (90.3 percent) than in Larimer County (71.8 percent) between 2000 and 2030. As a result, Weld County's share of the modeling area's jobs is anticipated to increase slightly,

from 35.4 percent in 2000, to 36.7 percent in 2010 and 37.8 percent in 2030. Much of the job growth is projected to occur in the unincorporated Weld County area between the cities of Loveland, Windsor and Greeley. Jobs in the Larimer County area are projected to occur largely along the I-25 corridor in and between the cities of Loveland and Fort Collins by 2010, with future growth largely occurring north of Fort Collins, along I-25 in the Wellington area.

These growth patterns are reflected in the following chart, where the share of the modeling area jobs are anticipated to increase slightly in Loveland, decrease in Fort Collins, remain relatively consistent in other analyzed communities and increase in “other” areas, which largely includes presently unincorporated Larimer and Weld counties.



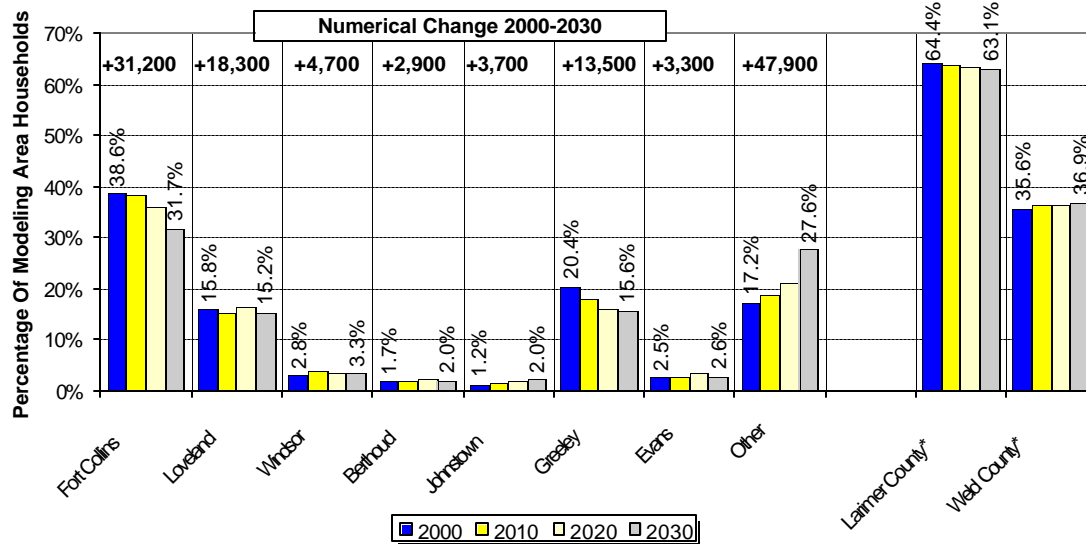
Sources: NFRMPO model for community estimates - number of jobs exclude self-employed workers;
 *CBEF (Larimer and Weld County estimates); RRC Associates, Inc.

- Household growth:** In both Larimer and Weld Counties, household growth is projected to outpace job growth on a percentage basis. However, households in Weld County are also anticipated to grow at a faster rate (95.7 percent) than in Larimer County (85.4 percent) between 2000 and 2030. As a result, Weld County's share of the modeling area's households is anticipated to increase slightly, from 35.6 percent in 2000, to 36.2 percent in 2010 and 36.9 percent in 2030. Much of the growth is projected to occur in the unincorporated Weld County area neighboring Greeley, as well as the communities of Windsor, Milliken, Johnstown and Eaton. Larimer County household growth is projected to occur largely in Berthoud, Windsor and unincorporated areas neighboring Loveland and Fort Collins. Starting in 2020, household growth is projected to also be significant in Wellington and the surrounding area.

These growth patterns are reflected in the following chart, where the share of the modeling area households are anticipated to decrease in Fort Collins and Greeley, remain fairly flat in Loveland and Evans and increase slightly in Windsor, Berthoud,

and Johnstown, with the largest increase seen in “other” areas (primarily unincorporated Larimer and Weld Counties).

Percentage Of Modeling Area Households In Each Community



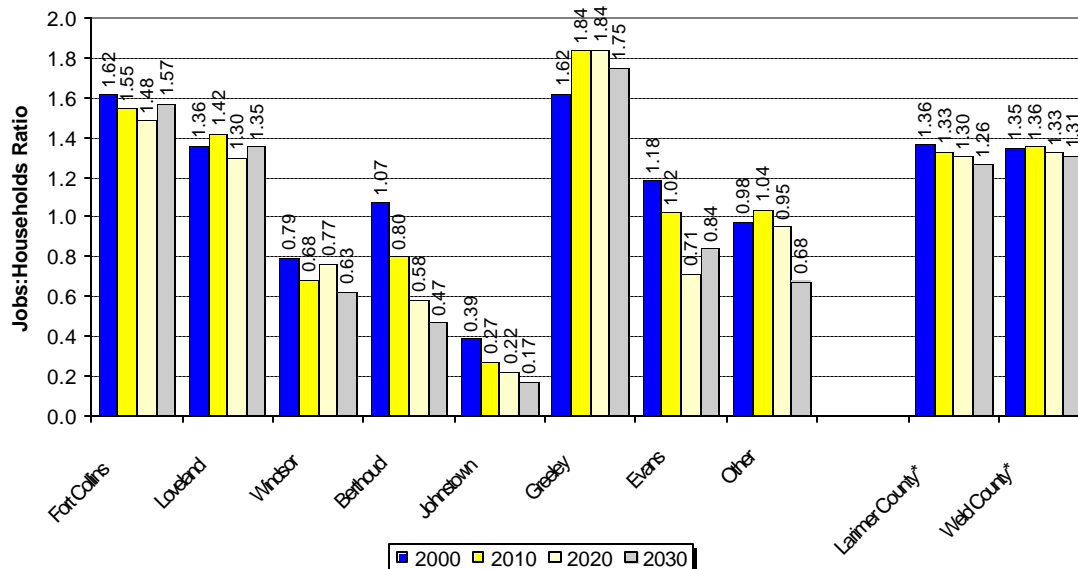
Sources: NFRMPO model for community estimates - number of jobs exclude self-employed workers;
 *CBEF (Larimer and Weld County estimates); RRC Associates, Inc.

- Jobs:Households Ratio:** Although many factors drive housing demand in a particular area or region, job creation is typically one of the most important. As such, the jobs:households ratio is an important consideration in housing planning. Communities with relatively high jobs:households ratios often displace housing demand to nearby communities; whereas regions that offer relatively few jobs per household are generally net exporters of workers to employment centers.

Across the Larimer-Weld modeling area as a whole, the aggregate jobs:households ratio is about 1.36 and is anticipated to decline to 1.28 by 2030. Where Larimer County shows a larger number of jobs per household than Weld County in 2000 (1.39 versus 1.35, respectively), Weld County is expected to show a larger ratio of jobs to households than Larimer County by 2030 (1.31 versus 1.26, respectively). However, both areas are projected to show a decrease in the jobs:households ratio over time.

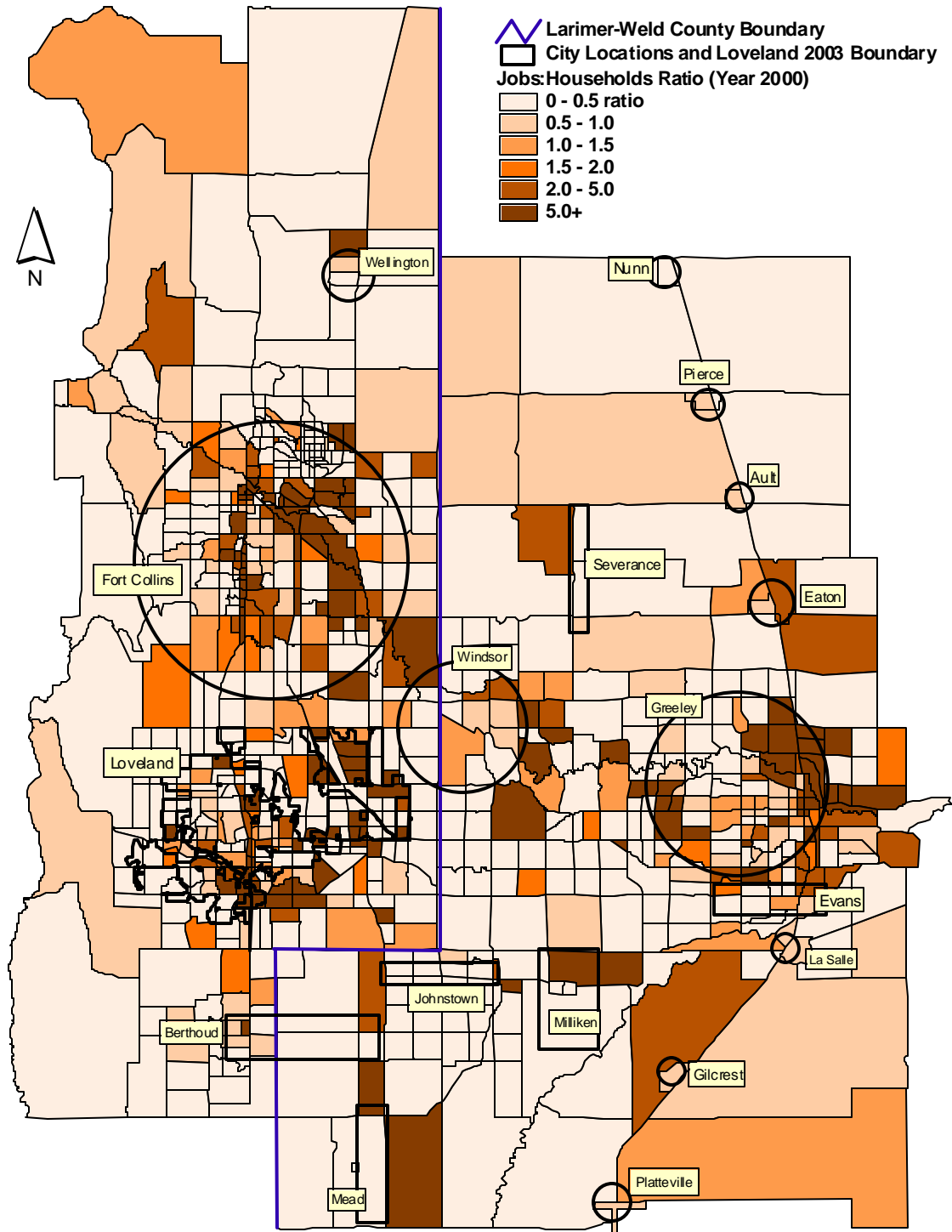
Examining jobs:households ratios throughout the modeling area, Fort Collins and Greeley show the largest jobs:households ratios, at 1.62 in 2000. This indicates that there is a low supply of housing in these communities compared to available local jobs. Only Greeley shows an increase in the jobs:households ratio between 2000 (1.62) and 2030 (1.75), indicating job growth in Greeley will increase worker demand for housing in the neighboring county and communities in the future. Loveland's ratio remains fairly flat at 1.35 in 2000 and 1.36 in 2030. Finally, Fort Collins shows only a slight decline, from 1.62 (2000) to 1.57 (2030) and Windsor shows a moderate decline from 0.79 to 0.63 in 2030. All other analyzed areas show more significant declines in this ratio, indicating the predominance of new households coming to these areas in comparison to jobs.

Change In Jobs:Households Ratios By Community: 2000 to 2030

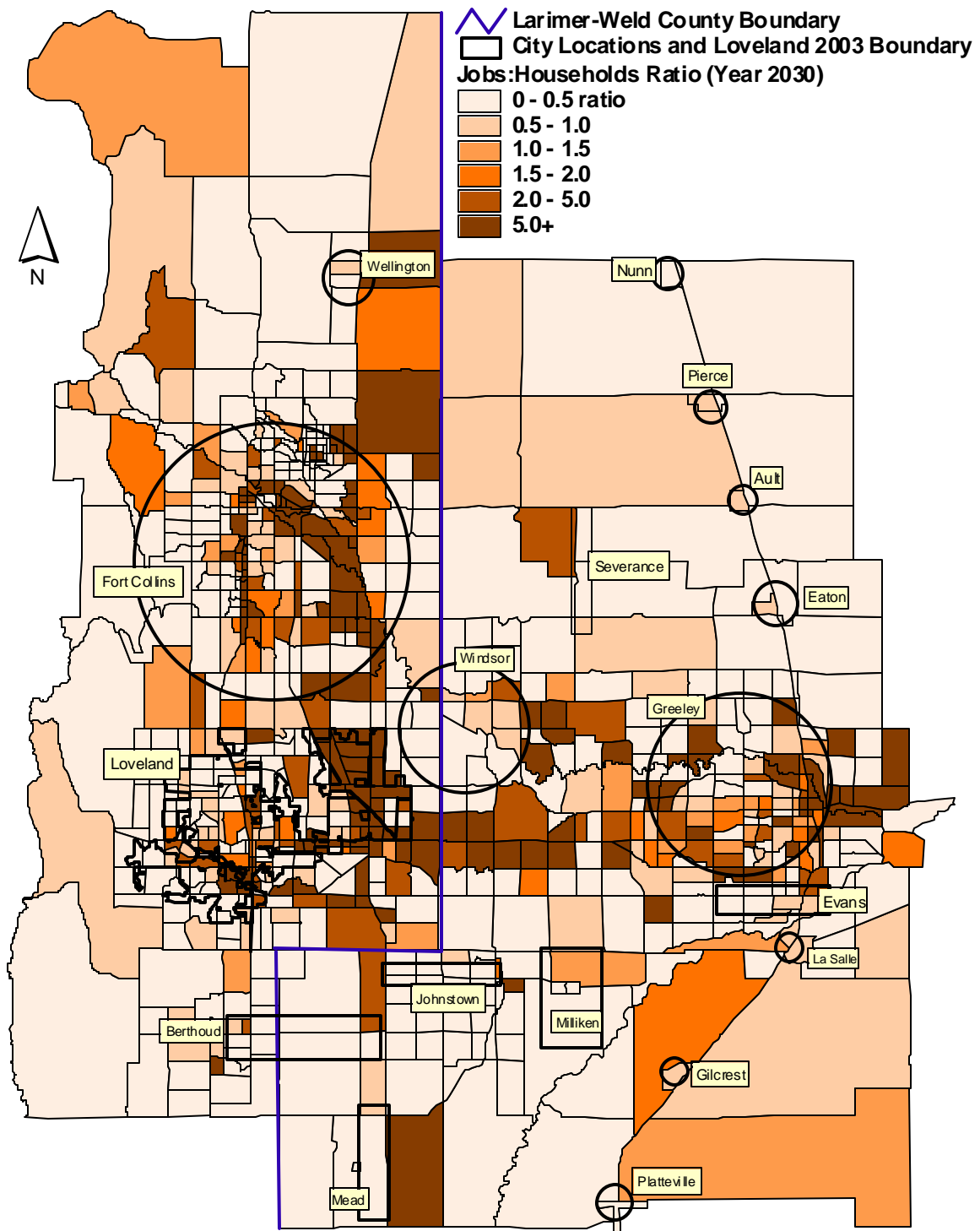


The following maps of the Larimer-Weld modeling area show the relationship between jobs and households by Traffic Analysis Zone for the year 2000 and 2030. These maps show areas of projected high job concentration related to households and vice-versa and help illustrate the above jobs and households growth discussion. Where the jobs:household ratio falls below 0.5, this indicates regions of high concentration of housing in relation to jobs (i.e., “rural” areas). Where the jobs:household ratio exceeds 2.0, this indicates regions of high job concentration in relation to housing (i.e., “commercial” areas).

2000 Jobs:Households Ratio
Larimer-Weld Modeling Area By TAZ



2030 Jobs:Households Ratio
Larimer-Weld Modeling Area By TAZ



Economically Distressed and Special Needs

This section of the report reviews information about economically distressed households, seniors and disabled populations who are known to have greater challenges with locating affordable and suitable housing. This section provides a brief overview of demographic characteristics, income and any unusual housing circumstances that were found in the household survey and through interviews with service providers.

Economically Distressed

Households earning 50% or less of the Area Median Income often struggle to balance the costs of housing, food, clothing, shelter and medical care. These are households who are also eligible for different forms of housing assistance, including Section 8 Vouchers and deeply subsidized housing programs. Under the LIHTC, households earning up to 60% of the AMI may be eligible to participate, depending on the agreement made by the developers under the tax credit program.

To understand economically distressed populations, four service agencies responded to written questionnaires that provide some insights into the populations they serve. In addition, key informant interviews were held with representatives from five service agencies.

In 2003, three service agencies provided assistance to close to 4,000 individuals living in 1,661 households in Loveland alone. This equates to an average household size of 2.4 persons, which is the same as the average household size for renters found in the survey. Over one-third of these households were headed by single parents, with single adults who were not seniors making up 27% of the remaining households receiving assistance.

	TOTAL	%age of Total
Unduplicated individuals	3,916	
Unduplicated households	1,661	
<i>Household Types:</i>		
Single Parents	580	34.9%
Two parent families	271	16.3%
Couples without children	112	6.7%
Single Adults	451	27.2%
Elderly	247	14.9%
		100.0%

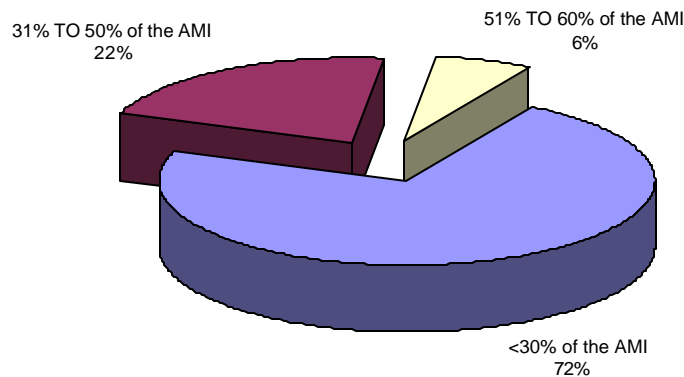
Source: Agency Surveys

Agencies reported a tremendous increase in the number of households and individuals seeking assistance. In 2002, Neighbor to Neighbor assisted 780 people. In 2004, this increased to 1,635. The Loveland Interfaith Hospitality Network provides short-term assistance for households with children. Ideally, families are able to “get back on their feet” in 45 to 60 days; however, they are seeing an increasing number of households

who use the assistance for 200 or more days. The Loveland Interfaith Hospitality Network has observed that it is increasingly difficult for adults to get entry-level positions, due to a slower economy and greater competition for jobs. For Neighbor to Neighbor, households are facing tougher decisions about what they can afford to purchase – gas for the auto or food for the table. They also are finding a greater need to help families make decisions that lead them toward greater stability instead of responding to temporary “situational” circumstances. Among seniors, affordable rental housing is a problem. More families are inquiring about affordable rentals for their senior parents and there is a lack of this housing available, according to representatives from the Loveland Senior Center.

Service agencies are providing assistance to those most economically disadvantaged households; 1,259 of households receiving assistance earned less than 30% of the Area Median Income.

Income Distribution of Households Receiving Assistance



Source: McCormick and Associates, Inc. Interviews

Services provided by agencies include case management, home ownership counseling, affordable rental housing, sweat equity home ownership opportunities, emergency shelter, transitional housing and information and referral.

When asked what the City of Loveland could do to increase the supply of housing that is affordable, service agencies responded with the following:

1. Build more housing that is for the special needs of older adults and disabled;
2. Require new rental developments to provide a percentage of accessible and affordable units for people who would qualify;
3. Work with Habitat for Humanity to build a small cooperative housing project for seniors;
4. Investigate ceiling rents imposed by HUD;
5. Recognize that housing for families in transition is needed. Housing they could afford to rent is not safe or decent and the Loveland Housing Authority cannot address all of these needs without some additional assistance.

Very Low, Low and Moderate Income Households

The following charts provide detailed information about very low, low and moderate-income households in Loveland. These are households who typically have greater challenges finding and maintaining housing that is affordable and suitable. In addition, most are eligible for different housing programs, including rental housing and down payment assistance.

- There are 2,826 Very Low Income households in Loveland and 64% of these households pay 50% or more of their income for housing. They tend to be adults living alone and have been in Loveland for six more years (over half). Slightly over half are employed and about one-third are retired.
- There are 2,957 Low Income Households (30% to 50% AMI) in Loveland. 11% pay more than 50% of income for housing and another 51% pay 30% to 50%. Over half own their homes and the majority are adults living alone and single parents. Close to one-third have been in Loveland for two years or less and 61% are employed with 18% retired.
- There are 5,018 Moderate Income Households (51.1% to 80% AMI) in Loveland. Housing cost is a problem for 31% of these households and 62% own their homes. These households are more likely to be couples and single parents with children or adults living alone. 60% are working and 22% are retired. About one-third have lived in Loveland for more than 10 years and 30% for two years or less.

Very Low Income Households

2,826 total

Households Earning 30% AMI or below

<i>Percent of Income to Housing Payment</i>	<i>%</i>
30% or less	25.5%
30.1% - 50%	10.6%
51% or more	63.8%
<i>% Overcrowded Units</i>	3.2%

<i>Behind in Housing Payment</i>	
Never	71%
1 to 3 times	23%
4 or more times	6%
Median House Payment	\$656

<i>Tenure</i>	
Own	42%
Rent	51%
Other	8%

<i>Condition of Home</i>	
Excellent/Good	69%
Fair (needs minor repairs <= \$5,000)	23%
Poor (needs repairs \$5K to \$9,999)	7%
Very Poor (needs repairs \$10,000+)	--

<i>Satisfaction With Current Residence</i>	
Very satisfied	34%
Satisfied	54%
Not satisfied	8%
Very dissatisfied	3%

<i>Help With Housing Considered¹</i>	
Down Payment Assistance	52%
Rent Assistance	64%
Rehabilitation Loan	54%
Sweat Equity Home to Own	55%

¹rated 4 or 5 on a scale of 1 "would not use" to 5 "would definitely use"

<i>Want to Buy</i>	<i>Owners</i>	<i>Renters</i>
Yes	77%	34%
No	23%	66%

<i>Type of Unit Occupied</i>	<i>%</i>
Apartment	30%
Mobile home	5%
Single family home	52%
Condo/ Townhome / Duplex	12%
Other	2%

<i>Household Composition</i>	
Adult living alone	42%
Couple, no children	23%
Couple, with children	15%
Single parent with children	12%
Unrelated roommates	1%
Other	6%
% with at least one 65+ person	34%
% with at least one person with a disability	41%

<i>Length of Time in The City of Loveland</i>	
Less than one year	--
1 to 2 years	19%
3 to 5 years	16%
6 to 10 years	25%
More than 10 years	35%
All my life/have always lived here	4%

<i>Employment</i>	
Employed	51.2%
Average Jobs per Household	0.8
Homemaker	6%
Retired	31%
Student	6%
Unemployed	6%
% Employed in Loveland	74%

Low Income Households

2,957 total

Households Earning 30.1 to 50% AMI

<i>Percent of Income to Housing Payment</i>	<i>%</i>
30% or less	38.2%
30.1% - 50%	50.9%
51% or more	10.9%
<i>% Overcrowded Units</i>	9.4%

Behind in Housing Payment

Never	66%
1 to 3 times	22%
4 or more times	12%
Median House Payment	\$668

Tenure

Own	53%
Rent	45%
Other	1%

Condition of Home

Excellent/Good	51%
Fair (needs minor repairs <= \$5,000)	37%
Poor (needs repairs \$5K to \$9,999)	12%
Very Poor (needs repairs \$10,000+)	64%

Satisfaction With Current Residence

Very satisfied	16%
Satisfied	55%
Not satisfied	20%
Very dissatisfied	8%

Help With Housing Considered¹

Down Payment Assistance	59%
Rent Assistance	51%
Rehabilitation Loan	49%
Sweat Equity Home to Own	64%

¹rated 4 or 5 on a scale of 1 "would not use" to 5 "would definitely use"

<i>Want to Buy</i>	<i>Owners</i>	<i>Renters</i>
Yes	74%	67%
No	26%	33%

<i>Type of Unit Occupied</i>	<i>%</i>
Apartment	17%
Mobile home	12%
Single family home	51%
Condo/ Townhome / Duplex	19%
Other	1%

Household Composition

Adult living alone	26%
Couple, no children	14%
Couple, with children	16%
Single parent with children	36%
Unrelated roommates	1%
Other	6%
% with at least one 65+ person	30%
% with at least one person with a disability	25%

Length of Time in The City of Loveland

Less than one year	2%
1 to 2 years	27%
3 to 5 years	10%
6 to 10 years	21%
More than 10 years	31%
All my life/have always lived here	9%

Employment

Employed	60.8%
Average Jobs per Household	0.9
Homemaker	9.3%
Retired	17.8%
Student	6.5%
Unemployed	5.6%
% Employed in Loveland	50%

Moderate Income Households

5,018 total

Households Earning 50.1 to 80% AMI

<i>Percent of Income to Housing Payment</i>	<i>%</i>
30% or less	68.8%
30.1% - 50%	31.2%
51% or more	--
<i>% Overcrowded Units</i>	5.3%

<i>Behind in Housing Payment</i>	
Never	85%
1 to 3 times	11%
4 or more times	4%
Median House Payment	\$851

<i>Tenure</i>	
Own	62%
Rent	34%
Other	4%

<i>Condition of Home</i>	
Excellent/Good	69%
Fair (needs minor repairs <= \$5,000)	24%
Poor (needs repairs \$5K to \$9,999)	7%
Very Poor (needs repairs \$10,000+)	--

<i>Satisfaction With Current Residence</i>	
Very satisfied	34%
Satisfied	46%
Not satisfied	17%
Very dissatisfied	3%

<i>Help With Housing Considered¹</i>	
Down Payment Assistance	60%
Rent Assistance	35%
Rehabilitation Loan	50%
Sweat Equity Home to Own	50%

¹rated 4 or 5 on a scale of 1 "would not use" to 5 "would definitely use"

<i>Want to Buy</i>	<i>Owners</i>	<i>Renters</i>
Yes	68%	86%
No	32%	14%

<i>Type of Unit Occupied</i>	<i>%</i>
Apartment	11%
Mobile home	2%
Single family home	69%
Condo/ Townhome / Duplex	17%
Other	--

<i>Household Composition</i>	
Adult living alone	23%
Couple, no children	4%
Couple, with children	34%
Single parent with children	34%
Unrelated roommates	2%
Other	2%
% with at least one 65+ person	25%
% with at least one person with a disability	19%

<i>Length of Time in The City of Loveland</i>	
Less than one year	6%
1 to 2 years	22%
3 to 5 years	14%
6 to 10 years	20%
More than 10 years	32%
All my life/have always lived here	6%

<i>Employment</i>	
Employed	59.2%
Average Jobs per Household	1.0
Homemaker	8.3%
Retired	22.3%
Student	5.3%
Unemployed	4.9%
% Employed in Loveland	58%

Seniors

There are an estimated 5,179 households with a person aged 65 or older who live in Loveland. They are predominately couples and single adults without children, although about 5% of seniors have children under the age of 18 living with them. They own approximately 4,000 homes in Loveland and 81% of senior households state their homes are in good to excellent condition. Most live in single-family homes (73% of seniors) and a little over 22% have lived in Loveland for five or fewer years. This information supports a trend observed by both Realtors and the Senior Center – older adults are moving to the area. When asked why seniors were locating to Loveland, Realtors noted that the cost of living and good weather were primary reasons. Households with seniors are looking to purchase smaller, single-level/ranch style homes in the area. Although seniors moving from outside of Loveland may have substantial sales proceeds from selling their current home, they are not as willing to “buy-up” and are more interested in a smaller, less expensive more maintenance free place to live.

At the Senior Center, there is an increase in the number of inquiries families are making about affordable rental housing that their aging parent(s) could locate in Loveland so they can move and be closer to family members. It was also mentioned that a recent issue of AARP noted Loveland as one of the best communities for retirees and there has been a subsequent increase in calls to both Realtors and the Senior Center. Housing for lower income seniors and that accommodates the special needs of seniors, including accessibility, were noted as needs in the key informant interviews. There is also interest in working with Habitat for Humanity to build small cooperative housing for seniors.

Seniors who own their homes have significantly higher incomes than renters. The median income of seniors who own is \$40,000 compared to \$18,000 for renters. The income distribution among seniors is uneven, with 30% earning \$20,000 per year or less and another 38% earning \$30,000 to \$60,000. Most seniors depend on social security and retirement as their primary source of income, although 18% noted income from employment.

For the most part, seniors appear to be in good health, as 85% reported that no one with a disability was living in the household. Of those with a disability, mobility impairments were noted the most frequently. An estimated 98 senior households live in homes that do not accommodate their disability.

Approximately 18% of seniors are thinking about moving in the next two years. When they look for a home, the cost of housing, low maintenance and housing type are the three most important factors that they consider. Seniors are not very interested in many programs, although affordable rental housing and a retirement community were the two more popular programs that seniors indicated they might consider. They believe that seniors should have a priority for affordable housing if it is made available in Loveland.

The household survey asked questions about programs specifically targeted for seniors, including communities that were solely for people age 65+, rental housing with services, accessible housing and affordable rental housing. Among these, 17% indicated they would “definitely use” affordable rental housing and 18% would definitely live in a community that was exclusively for people age 65+. They were least interested in

accessible housing, closely followed by a reverse annuity mortgage program. Rental housing with services appears to be of interest, but was not as strongly regarded as the other programs.

Again, these findings were consistent with input provided by the Loveland Senior Center as part of the key informant interview. Seniors and their families are inquiring more about affordable rental housing than most other services, with the exception of transportation. The Senior Center has held several seminars about the Reverse Annuity Program, that would allow seniors to access equity in their homes. They are fearful of the program, even though they may like the concept. Neighbor-to-Neighbor has a person who has been certified by AARP to provide counseling about the Reverse Annuity Mortgage Program and has found that this certification has helped seniors become more comfortable with the concept.

About 5% of seniors live in mobile homes. The Senior Center noted that seniors living in mobile homes are facing many problems. Often, the lot rents are raised to a level that the senior cannot sustain himself or herself on the property. In some instances, lot rents have been increased every three months. Many are living in older mobile homes and they are unable to sell them, as park regulations require that newer homes be installed. In addition, seniors are getting evicted because they are unable to maintain the property to the standards of the park.

Seniors – 5,179 Households

Household Type

	%age	# of HH
Adult living alone	31.3%	1,621
Single parent	1.7%	89
Couple, no child(ren)	57.4%	2,973
Couple with child(ren)	3.2%	166
Other	6.4%	330
Total	100.0%	5,179

Tenure

Type of Residence

	% of HH	# of HH
	Percent	Total
Owned by resident(s)	78.2%	4,050
Rented from a landlord	17.8%	919
Other	4.0%	207
Total	100.0%	5,179

Time in Area

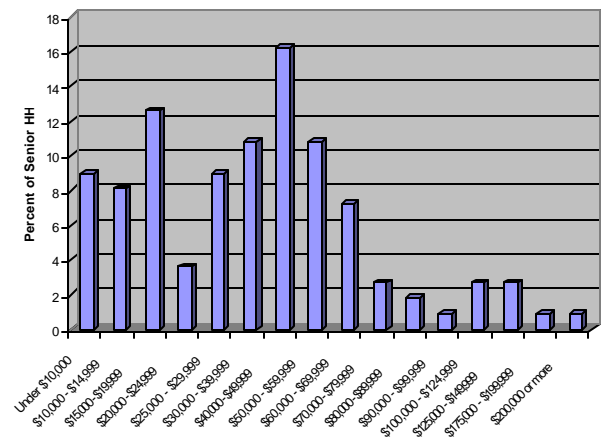
	% of HH	# of HH
Less than 1 year	0.7%	36
1 to 5 years	20.9%	1,081
6 to 10 years	12.8%	662
11 to 20 years	18.2%	943
More than 20 years	45.0%	2,328
All my life/ Have always lived here	2.5%	128
Total	100.0%	5,178

Average and Median Income by Tenure

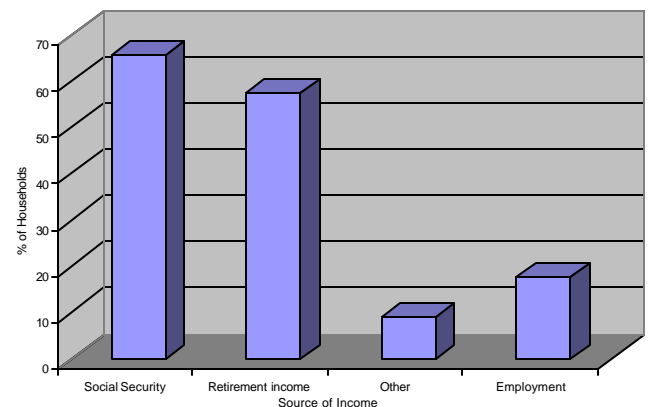
	Average	Median
Owners	\$45,580	\$40,000
Renters	\$19,730	\$18,000
Other	\$18,760	\$16,800
Overall	\$39,676	\$33,305

Apartment	6.8%	351
Mobile home	5.1%	263
Single-family home	72.9%	3,774
Condo/ town home/ duplex	13.6%	702
Other	1.7%	88

Income Distribution - 65+



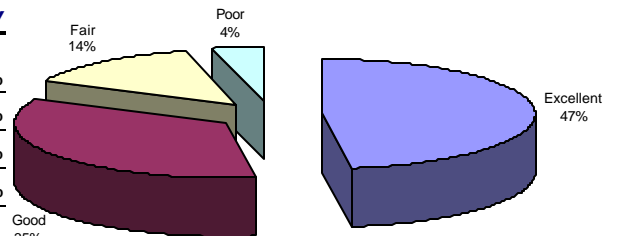
Primary Source of Income



What types of help would you consider?

	Rental Affordable Housing Rental housing	Reverse with Services	Annuity Mortgage	Accessible 65+ Housing	Community
1 - Would Not Use	64.1%	54.4%	60.8%	58.6%	45.8%
2	8.4%	16.1%	6.1%	10.6%	16.9%
3	8.2%	15.1%	20.1%	12.2%	11.8%
4	2.6%	5.5%	5.8%	11.8%	7.1%
5 - Definitely Would Use	16.7%	8.9%	7.1%	6.8%	18.3%

What is the condition of your home?



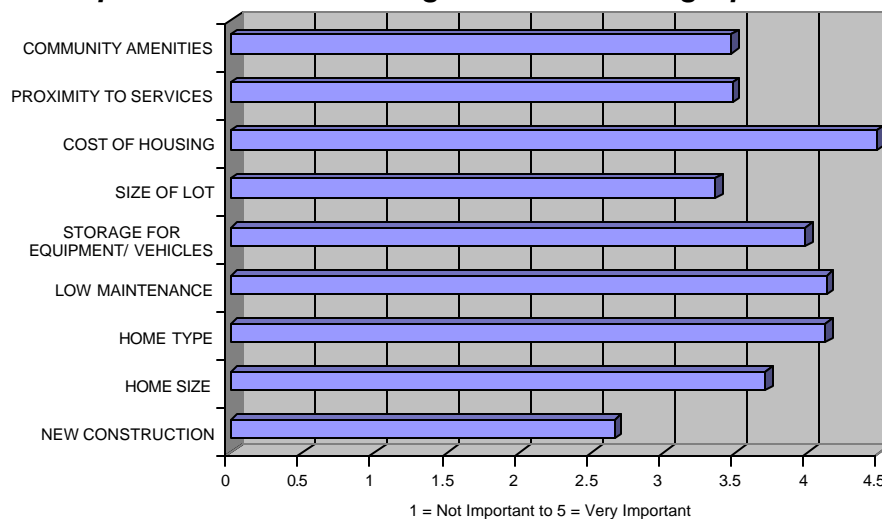
Are you looking to buy in next two years?

No	81.9%
Yes	18.1%
Total	100%

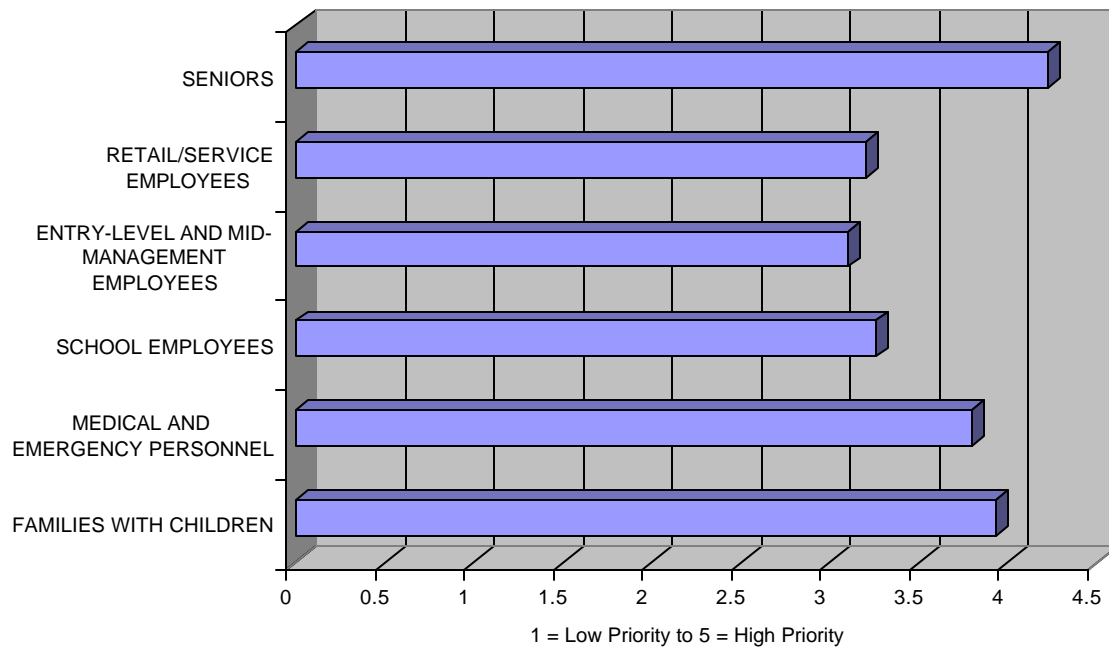
Would you consider using . . .

	Down Payment Assistance	Rent Assistance	Rehab Loan
1 - Would Not Consider	59.7%	57.8%	47.8%
2	8.4%	5.3%	9.4%
3 - Might Consider	10.4%	12.0%	16.7%
4	7.9%	9.0%	13.7%
5 - Definitely Would Consider	13.6%	16.0%	12.4%

How important are the following when considering a place to live?



Identify the priority you would assign to each of the following groups if affordable housing were made available in the area.



Seniors with Disabilities

- 85% of households with a senior reported that no one in the household has a disability. This equates to 4,454 senior households without a disabled person.

How Many People Have a Disability?

	In-home care	Mobility Impaired	Hearing Impaired	Work- Related
None	99.2%	85.9%	97.2%	99.2%
1	0.8%	11.4%	2.8%	0.8%
2		1.6%		
3		1.1%		
	100%	100%	100%	100%

Does your current housing accommodate the disability of persons in your household?

	% of HH	# of HH
Yes	86.5%	627
No	13.5%	98
Total	100.0%	725

Disabled Adults

There are an estimated 3,800 households in Loveland have at least one adult with a disability. The most common disabilities were mobility impairments and blindness. Not surprisingly, disability increases with age, although households with a disabled person are more likely to be couples with and without children.

Households with a disabled person are more likely to fall in the very low-income category. About 24% of these households earn less than \$10,000 per year and 29% or 1,117 households earn less than 30% of the Area Median Income with another 740 (19%) who earn 30% to 50% of the AMI. These households would be eligible for various forms of housing assistance, if it were available. Among these households, social security and retirement were the main sources of income. About 50% of households with a disabled person are employed outside of the home.

Housing cost burden could be a problem for households with a disabled person. The household survey found that 42% paid more than 30% of their gross monthly income for housing. Among renters, 50% noted they were behind in their monthly housing payment 1 to 3 times during the past year indicating that the cost of housing can be a problem at times. Among owners, close to 6% were behind four or more times, indicating they are at-risk of losing their home.

These findings are consistent with information obtained through the key informant interviews. According to the Disabled Resource Services Center for Larimer County, the disabled persons they serve tend to be single adults who receive \$564 to \$1,100 per month for SSDI. They have been providing services for 12 years and 90% of their clients have incomes below the poverty level. The services that they need include assistance with housing payments and utilities and locating housing that is adapted for their disability. The survey findings found that 22% of households with a disabled person lived in a setting that did not accommodate their disability. This indicates that clients assisted by the Disabled Resource Services Center are more likely to have a greater complexity of physical disabilities than were found in the general population. It is likely that those who are not living in accessible housing need the same services as clients of the Resource Services Center – wheelchair accessible units, including ramps, showers, lowered counter-tops. It is important to note that the Disabled Resource Services Center found that most clients are able to locate ground level apartments; the problem is interior accessibility. Units must be adapted to meet the individual needs of the clients. Among seniors, accessibility may be an issue. The R.S.V.P Program has a Handyman Chore Core that will put in grab bars for seniors.

About 22% of households with disabled persons noted that their homes were in fair to poor condition, needing \$5,000 or more in improvements. There were 82% who were very satisfied and very satisfied with their homes.

Disabled Adults

Most Commonly Noted Disabilities

	<i>Disabled Person</i>	<i>In-Home Care</i>	<i>Mobility</i>	<i>Hearing Impairment</i>	<i>Work Related</i>	<i>Dev. Disabled</i>	<i>Chronically Mentally Ill</i>	<i>Blind</i>	<i>Other</i>
No one with a disability	83.4%								
No one		98.8%	91.0%	97.6%	96.9%	97.6%	98.7%	99.0%	97.0%
1 Person	12.7%	0.8%	7.2%	2.1%	2.5%	1.9%	1.2%	8.5%	3.0%
2 People	3.0%	0.4%	1.2%	0.2%	0.7%	5.1%			
3 + People	0.4%		2.3%						

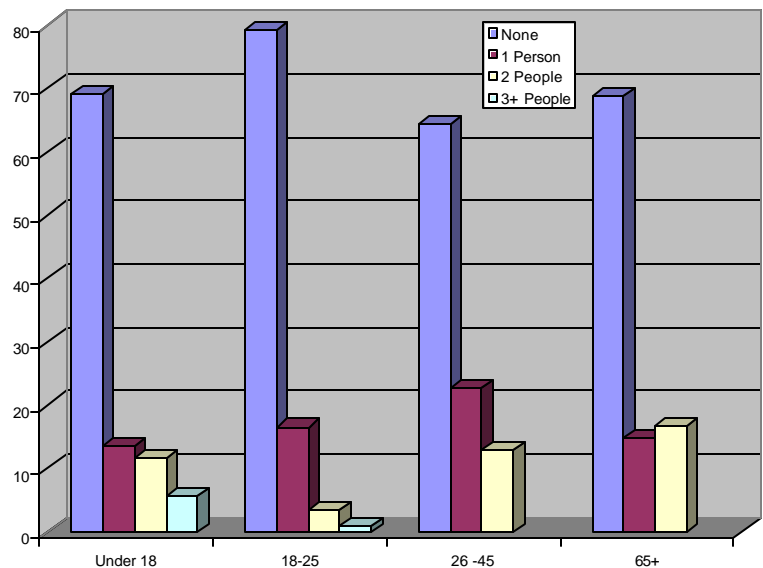
Household Type

	<i>Percent</i>
Adult living alone	18.5
Single parent with child(ren)	12.2
Couple, no child(ren)	30.8
Couple with child(ren)	27.7
Unrelated roommates	2.4
Other	8.3
Total	100

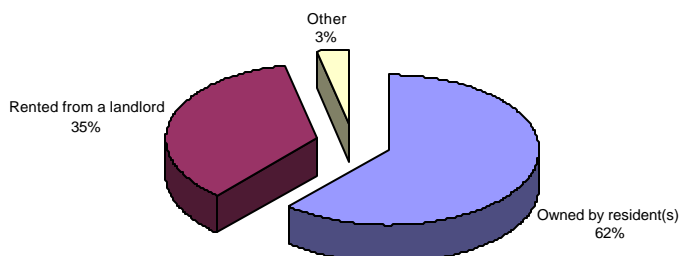
Unit Type

Single-family home	67.0
Condo/ townhome/ duplex	13.4
Total	100.0

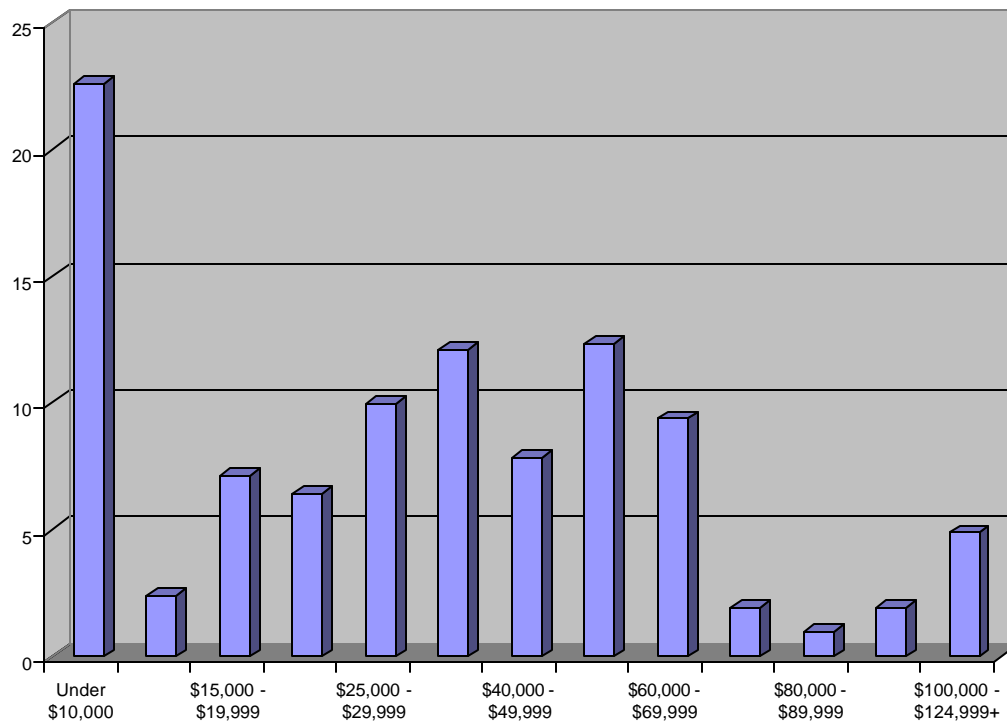
Ages of Household Members



Tenure



Income Distribution



Income Distribution by AMI

AMI	Number	Percent
30% or less AMI	1,117	29.2%
30.1% - 50% AMI	740	19.4%
50.1% - 80% AMI	971	25.4%
80.1% - 100%	321	8.4%
100.1 to 120%	260	6.8%
OVER 120% AMI	411	10.8%
Total	3,820	99.9%

Median Income

	Average	Median
Households w/ Disabled	\$37,346	\$30,000
All Households	\$60,564	\$50,000

Primary Sources of Income

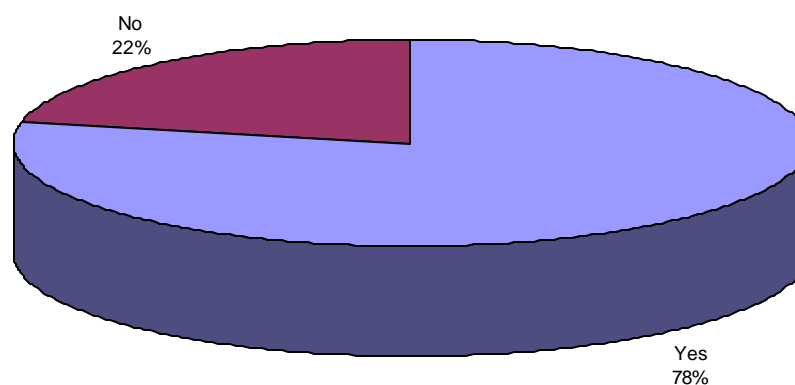
Source(s)	% of Disabled HH
Social Security	42.6
Retirement income	23.8
Professional services	12.5
Service	10.1
Other	9.8
Personal services	7.1
Manufacturing	6.9
Retail	6.6
Government	4.8
Agriculture/ food	2.9
Unemployment	1.2
TOTAL	128.3%

Type of Employment

Type of Employment	Percent
Self-Employed	9.9
Employed by others	41.5
Unemployed	10.6
Homemaker	6.8
Retired	25.5
Student	5.8
Total	100%

Housing Conditions**Condition of Home and Satisfaction**

Conditions	% of HH	Satisfaction	% of HH
Excellent	32.8	Very satisfied	36.6
Good	44.1	Satisfied	46.3
Fair	13.6	Not satisfied	12.6
Poor	9.5	Very dissatisfied	4.5
Total	100	Total	100.0

Does home accommodate the person(s) with disabilities?

Housing Cost Burden

<i>Percent of Monthly Income for Housing</i>	<i>Number</i>	<i>Percent</i>
30 percent or less	2,194	57.4%
31 through 50 percent	849	22.2%
over 50 percent	779	20.4%
Total	3,822	100

***Times Late In Housing Payment – 2
Years***

	<i>Own</i>	<i>Rent</i>
Never	83.3%	50.0%
1 to 3 times	11.1%	50.0%
4 or more times	5.6%	

Housing Demand and Gap Analysis

This section of the report examines housing demand, both present and future, and price gaps in both rental and for-sale housing. Housing demand can be gauged by multiple measurements that are related to employment and by trends identified through examination of movement into Loveland in the past five years. This section measures demand generated by employees who currently commute into Loveland for work, by new job growth and by retirees who are relocating into the community. It then analyzes price gaps for both rental and for-sale housing through a comparison of current rents and for-sale listings to the household incomes of Loveland's residents.

Demand from In Commuters

It is estimated that there are 31,077 persons currently employed in Loveland. Of these, 52.6% or 16,347 employees commute in from homes elsewhere. Of these employees, 47.3% would like to live in Loveland if housing they could afford is available. These commuters generate demand for approximately 4,832 housing units in Loveland. The vast majority of these commuters (87%) want to purchase rather than rent a home.

Estimate of Housing Demand from In Commuters

Total Jobs, 2004	35,739
Jobs per employee	1.15
Total Estimated Employees	31,077
<hr/>	
% Who Commute into Loveland	52.6%
# Who Commute into Loveland	16,347
% Who Want to Move to Loveland	47.3%
# Who Want to Move to Loveland	7,732
<hr/>	
Employees per Household	1.6 ⁴
# Additional Housing Units Demanded	4,832

Employees who commute into Loveland for work have higher household incomes overall than employees already residing in the community. Nearly 60% have household incomes greater than 120% of the median income for Larimer County. This indicates that ownership opportunities in the typical affordability ranges (60% to 120% AML) are not as great of a concern as availability of more expensive homes and suggests that housing will need to be perceived as affordable relative to other communities in the region from which they now commute.

⁴ Reflects number of employees in households with employed persons. Excludes retirees and other unemployed persons.

Income Distribution of In-Commuters

AMI	% In Commuter Households	# In Commuter Households
30% AMI or less	4.9%	237
30.1% - 50% AMI	2.4%	116
50.1% - 80% AMI	14.6%	705
80.1% - 100% AMI	11.4%	551
100.1% to 120% AMI	8.1%	391
More than 120% AMI	58.5%	2,827
Total	100%	4,832

Source: Employee Survey

Demand from Job Growth

It is projected that there will be 40,931 jobs in Loveland by 2010, an increase of 5,192 jobs over current levels. It will take approximately 4,515 employees to fill these jobs based on an average of 1.15 jobs per employee. Not all will live in Loveland, however. The estimate of the number who will generate demand for housing within Loveland is based on the percentage of employees who currently reside in the community plus the percentage of in-commuters who want to live in Loveland if housing they can afford is available, which equates to 72.3% of total employees. It is projected that these new employees will generate demand for approximately 2,040 additional housing units by 2010.

Estimate of Housing Demand from New Employees by 2010

New Jobs by 2010	5,192
Jobs per employee	1.15
Total Additional Employees	4,515
% Who Want to Live in Loveland	72.3%
# Who Want to Live in Loveland	3,254
Employees per Household	1.6
# Additional Housing Units Demanded	2,040

It has been assumed that employees filling new jobs that will be created by 2010 will have the same income distribution as existing employees. The percentage of low-wage retail jobs is projected to be about the same. The percentage of service jobs is projected to increase but mostly in the mid wage range. Changes in Loveland's economy are not likely to be so great as to cause measurable shifts in the income distribution of residents.

Projected Income Distribution of New Employee Households

AMI	% New Employee Households	# New Employee Households
30% AMI or less	6.5%	133
30.1% - 50% AMI	10.6%	216
50.1% - 80% AMI	18.6%	379
80.1% - 100%	14.7%	300
100.1% to 120%	10.3%	210
Greater than 120% AMI	39.2%	800
Total	100%	2,040

Demand from Retirees

Loveland has many attributes that make it attractive as a retirement community. As such, retirees will generate demand for additional housing beyond that needed by employees. At present, nearly 22% of Loveland's households include at least one individual who is age 65 or older. In the last five years, 19% of the households that have moved into Loveland include at least one member who is retired. With gains in the senior population relative to other age groups due to aging "baby boomers" and advances in life expectancy, it is appropriate to assume that this trend will continue at least at the same level in the next five years. It is therefore projected that approximately 20% of all households that move into Loveland will be retirees. By figuring that the number of households that will move to Loveland from employment (4,832 from commuters wanting to live in Loveland and 2,040 from new jobs or 6,872 total households) equals 80% of future demand, the total demand from new households and the number of senior households can be derived. This methodology results in an estimate of 1,718 additional senior households by 2010.

Estimate of Housing Demand from Retirees Moving into Loveland

In Migration	Households
From Commuters	4,832
From Job Growth	2,040
Total Employment-related In-migration (80%)	6,872
From Retirees (20%)	1,718

Households with at least one retired member had lower incomes than did employee households. Over 20% have incomes at or below 30% AMI. Almost 20%, however, have incomes at or above 120% AMI. While retirees moving into the community may have higher incomes than those who have lived in Loveland for years, it has been assumed that the income distribution of retirees in the near future will match that of retirees now living in the community.

Projected Income Distribution of New Retiree Households

AMI	% Retiree Households	# Retiree Households
30% AMI or less	21.6%	371
30.1% - 50% AMI	12.1%	208
50.1% - 80% AMI	28.4%	488
80.1% - 100%	11.2%	192
100.1% to 120%	6.9%	119
Greater than 120% AMI	19.8%	340
Total	100%	1,718

Demand Aggregated by AMI

Based on the demand for housing generated by commuters who now travel into Loveland for jobs and would like to live in the community, employees who will fill new jobs and retirees who move into Loveland, it is estimated that as many as 8,590 additional households will be seeking housing by 2010. Of these, one-third will be low-income households with incomes at or below 80% AMI. Approximately 20% will need housing that serves moderate income households (80% to 120% AMI). It is projected that just over 46% of new households will have incomes above 120% AMI. *When planning development of new units for these households that will generate additional housing demand, it is important to take into consideration existing vacant units and potential out mitigation.*

Demand by AMI

AMI	In Commuters	New Employees	Retirees	Total	Percentage
30% AMI or less	237	133	371	740	8.6%
30.1% - 50%	116	216	208	540	6.3%
50.1% - 80%	705	379	488	1,573	18.3%
80.1% - 100%	551	300	192	1,043	12.1%
100.1% to 120%	391	210	119	720	8.4%
Greater than 120%	2,827	800	340	3,967	46.2%
Total	4,832	2,040	1,718	8,590	100%

This section of the report compares the incomes of both owners and renters to the current cost of housing in Loveland to generate quantitative estimates of pricing gaps that exist. The amounts determined to be affordable are based on households spending no more than 30% of their gross income on their rent or mortgage payment.

Gaps in Rental Housing

A comparison of the incomes of renter households to current rents indicates there are gaps in the availability of units priced under \$550 per month to serve households with incomes at or below 50% AMI and over \$1,363 per month for households with incomes in excess of 120% AMI. There appears to be surplus availability of units renting for amounts between \$550 and \$1,135 per month (50% to 100% AMI) and equilibrium in the \$1,135 to \$1,362 range (100% to 120% AMI).

Gaps in Pricing of Rental Units

<i>Renters</i>	<i>Affordable Rent</i>	<i>% Renter Households</i>	<i>% Rentals at these Rents</i>	<i>Gaps in Pricing</i>
30% or less AMI	< \$340	23.9%	8.3%	-15.6%
30.1% - 50% AMI	\$340 - \$550	22.5%	19.3%	-3.2%
50.1% - 80% AMI	\$551 - \$900	28.3%	46.2%	17.9%
80.1% - 100%	\$901 - \$1135	9.4%	17.9%	8.5%
100.1% to 120%	\$1135 - \$1362	5.1%	6.9%	1.8%
Greater than 120%	\$1363+	10.9%	1.4%	-9.5%

Even though there is a gap in pricing at the lower end of the spectrum (less than \$550 per month) it does not necessarily equate to a need for development of additional units.

Households with incomes above 50% AMI are likely renting some of the units priced below \$550 per month. As vacancies continue in all price ranges, movement within the market should result in a better match between ability to pay and rent charge. For those households who are still unable to find rental units that they can afford, rent subsidies like Section 8 vouchers are appropriate.

Also, just because there are more renters who can afford to pay \$1,363 or more per month than there are units in this price range does not mean, however, that additional units are needed in the higher price ranges. They may well choose to continue to spend less than 30% of their income on housing so that they can save for a down payment or direct their resources to other interests, such as travel. Renters who can afford units that rent for in excess of \$1,000 are candidates for ownership. If they continue to rent, it is for reasons other than income.

Gaps in Ownership Housing

Households seeking homeownership opportunities in Loveland fall within two categories: 1) renters who want to buy; and 2) owners who want to buy a different home. It is estimated that there are currently 9,534 households that want to buy a home. Of these, 4,428 now rent and 5,106 are owners who want to purchase a different home from the one in which they currently reside. It is inappropriate to assume, however, that additional units are needed to satisfy pent up demand for ownership since the owners who want to buy a different home would likely sell the homes in which they now reside.

Potential Market for Ownership

	Owners	Renters	Total
Total Households	17,020	6,813	23,833
% Want to Buy	30%	65%	40%
# Want to Buy	5,106	4,428	9,534

A comparison of the prices of homes listed for sale to the incomes of households that want to purchase illustrates the gap in home pricing. Between January and July 2004, a total of 2,154 attached units and single-family homes were listed for sale. Approximately 42% were priced to be affordable from 50% to 80% AMI. Approximately 28% of interested buyers have incomes in this range, which suggests that there is not a price gap for households with incomes from 50% to 80% AMI. There were significantly more *households* currently living in the community than units in this income/price range, however. It is estimated that there are 2,695 households with incomes ranging from 50% to 80% AMI that want to buy a home, but only 912 units available, for a gap in units of 1,783.

Gaps in Pricing of For-sale Units

	Owners	Renters	Total #	Total %	Listings %	Gap in Pricing	Gap in Units
30% or less AMI	337	571	908	9.5%	0	-9.5%	908
30.1% - 50% AMI	526	824	1,350	14.2%	0	-14.2%	1,350
50.1% - 80% AMI	1,052	1,643	2,695	28.3%	42.3%	14.0%	1,783
80.1% - 100%	786	695	1,482	15.5%	25.3%	9.8%	940
100.1% to 120%	715	252	967	10.1%	15.3%	5.2%	637
OVER 120% AMI	1,690	443	2,133	22.4%	15.3%	-7.1%	1,763
	5,106	4,428	9,534	100%	100%		

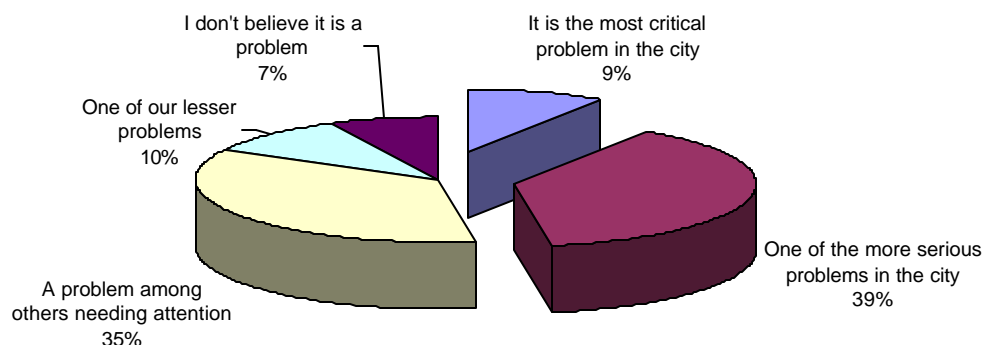
Housing Problems

This section of the report provides information on the type and extent of housing problems in Loveland as measured by multiple indicators including perceptions, satisfaction levels, affordability, overcrowding and physical deficiencies. Information on the extent to which low income households have these problems is provided in the summaries for each AMI category. This section of the report also provides information from the employer survey on housing-related employment problems.

Perceptions about Housing Problems

Nearly half of Loveland's residents feel that employee housing is the most critical or one of the more serious problems in the city. Very few (7% of households) do not believe affordable housing for persons who work in Loveland is a problem.

“How do you feel about the issue of people who work in Loveland being able to find a home to rent or purchase in Loveland that they can afford?”



It is estimated that 7,213 owner households and 4,242 renter households feel that affordable employee housing is the most critical or one of the more serious problems in Loveland.

Perceptions about Housing Problem by Own/Rent

	Owners		Renters	
	%	#	%	#
It is the most critical problem in the city	6.7	1,146	15.3	1,043
One of the more serious problems in the city	35.6	6,067	47.0	3,199
A problem among others needing attention	37.4	6,370	30.4	2,074
One of our lesser problems	11.3	1,921	4.9	332
I don't believe it is a problem	8.9	1,517	2.4	166
	100%	17,020	100%	6,813

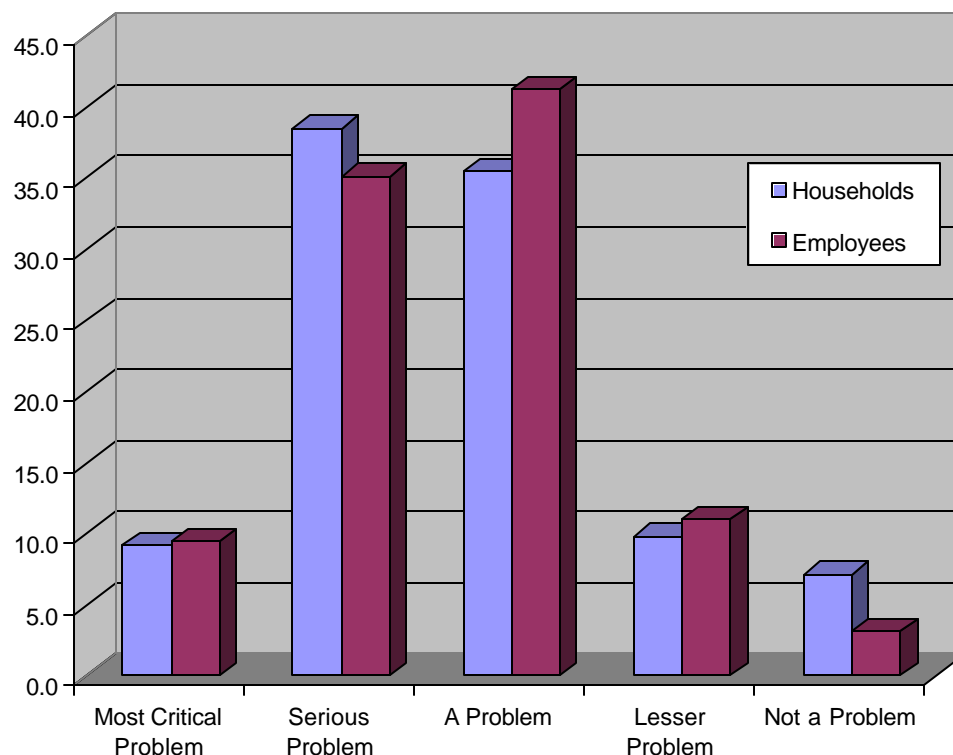
There appears to be a correlation between perceptions about housing problems and length of residency. Respondents who have lived in Loveland for more than 20 years or their entire lives tend to feel that housing is a more critical problem than do newcomers. This is an indication that housing for employees may be worse now than in the past but is not critical compared to communities from where employees may have recently moved.

Perceptions about Housing Problem by Length of Residency

<i>Time Lived in Loveland</i>	<i>< 1 year</i>	<i>1 to 5 years</i>	<i>6 to 10 years</i>	<i>11 to 20 years</i>	<i>> 20 years</i>	<i>Always</i>
It is the most critical problem in the city	4.4	3.7	3.7	10.9	13.3	25.2
One of the more serious problems in the city	46.9	41.1	39.7	37.7	38.5	21.8
A problem among others needing attention	35.4	30.3	35.3	40.6	35.6	39.6
One of our lesser problems	8.9	14.8	13.4	6.5	5.5	10.8
I don't believe it is a problem	4.4	10.2	8.0	4.3	7.1	2.6
	100%	100%	100%	100%	100%	100%

Persons who work in Loveland, including those who commute in for work, have generally similar perceptions about the employee housing problem as residents living in Loveland, including retired persons and those who work elsewhere.

Household and Employee Perceptions Compared



Employees who commute into Loveland for work have similar perceptions about the employee housing problem in Loveland as those employees who both live and work in the city.

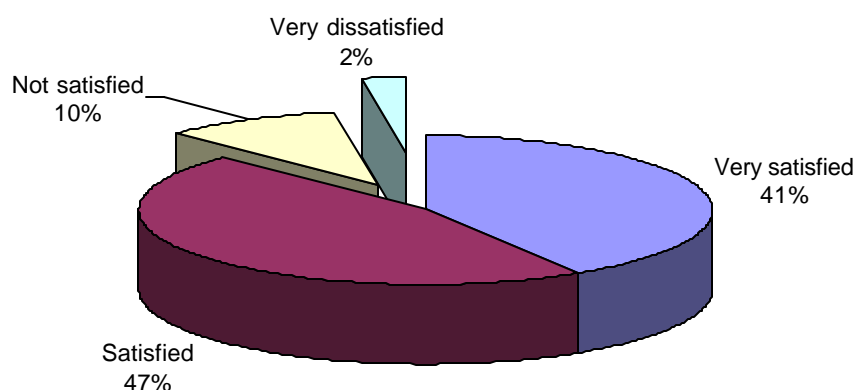
Employee Perceptions about Housing Problem by Place of Residence

	Loveland	Ft. Collins	Windsor	Greeley	Berthoud	Longmont
Most critical problem	10.7	1.6		15.0	18.2	10.0
One of the more serious problems	35.6	31.1	45.5	35.0	18.2	30.0
A problem among others	39.5	50.8	45.5	40.0	36.4	50.0
One of our lesser problems	11.3	13.1	9.1	5.0	27.3	
I don't believe it is a problem	2.9	3.3		5.0		10.0
	100%	100%	100%	100%	100%	100%

Satisfaction with Housing

Most residents are satisfied with their housing. Approximately 3,000 households (12.5% of the total) are either not satisfied or very dissatisfied with their current residence.

Satisfaction with Current Residence



In relative terms, renters tend to be dissatisfied more frequently than owners. Since there are more owners, however, than renters in Loveland, owners who are unhappy with the homes in which they reside almost equal the number of dissatisfied renters – 1,472 owners compared to 1,540 renters.

Satisfaction with Housing by Own/Rent (Shading denotes dissatisfaction.)

	Owners		Renters	
	%	#	%	#
Very satisfied	48.9	8,326	18.3	1,248
Satisfied	42.4	7,223	59.1	4,025
Not satisfied	7.1	1,204	17.1	1,167
Very dissatisfied	1.6	268	5.5	373
	100	17,020	100	6,813

Households residing in single-family homes have the highest satisfaction levels. More than half of the households living in mobile homes are dissatisfied, however.

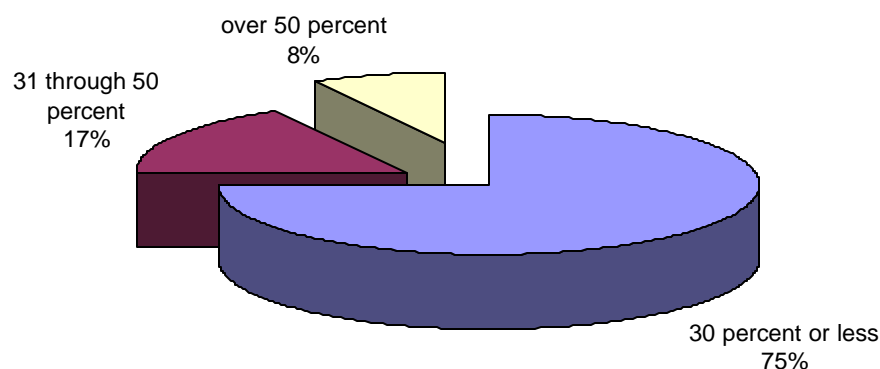
Satisfaction with Housing by Unit Type

	<i>Apartment</i>	<i>Mobile home</i>	<i>Single-family home</i>	<i>Condo/townhome/duplex</i>
Very satisfied	11.8	18.5	47.2	28.7
Satisfied	57.5	30.7	45.3	51.8
Not satisfied	21.0	46.2	6.1	16.5
Very dissatisfied	9.6	4.6	1.4	3.1
	100%	100%	100%	100%

Affordability

One-fourth of Loveland's households live in homes that are not affordable given their incomes. These households spend more than 30% of their income on their rent or mortgage payment and are therefore considered to be cost burdened by housing.

Percent of Income Spent on Housing



It is estimated that 3,459 homeowners and 2,472 renter households live in housing that is not affordable. The percentage of renters who are cost burdened (36%) is higher than the percentage of owner households (20%) but, since homeowners outnumber renters in Loveland, there are more owners paying in excess of 30% of their income on housing than renters.

Percent of Income Spent on Housing by Own/Rent

	<i>Owners</i>		<i>Renters</i>	
	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>
30% or less	79.7	13,561	63.7	4,341
31 - 50%	14.6	2,491	22.7	1,543
over 50%	5.7	969	13.6	929
Total	100%	17,020	100%	6,813
Cost Burdened	20.3%	3,459	36.3%	2,472

There is a strong, direct correlation between income level and affordability. As is covered in the profiles for each income group, all households with incomes at or below 30% AMI are cost burdened.

At Risk of Displacement

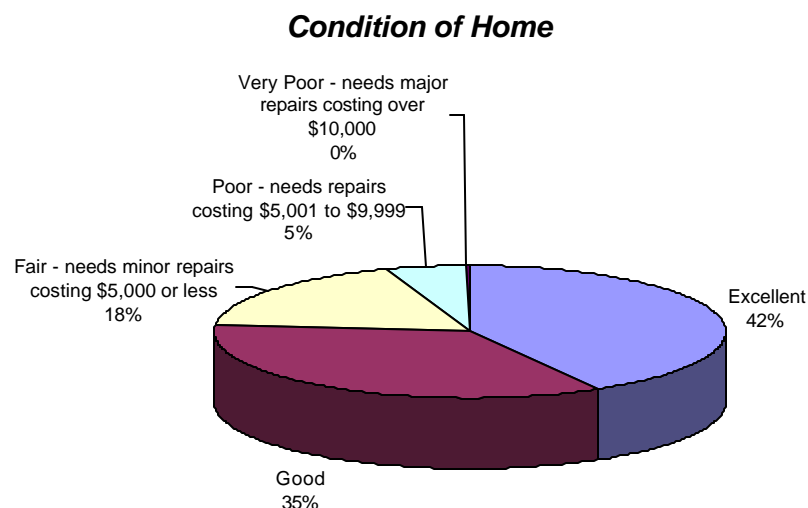
Households that are often late in making their mortgage or rent payment are at risk of displacement. Survey participants were asked to indicate the number of times in the last two years that they have been late with their housing payment. Overall, 11.3% indicated one to three times, which is an indication of financial stress but not much risk of eviction or foreclosure. Approximately 877 households, however, have been late with their housing payment four or more times, which signals risk of displacement.

Times Late with Housing Payment by Own/Rent

<i>Times Late</i>	<i>Owners</i>		<i>Renters</i>	
	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>
Never	92.5	15,737	63.5	4,324
1 to 3 times	5.8	979	28.1	1,916
4 or more times	1.8	304	8.4	573
Total	100%	17,020	100%	6,813

Physical Deficiencies

Most of Loveland's residents believe that the homes in which they reside are either in excellent or good condition. Approximately 23%, however, indicate that their homes are in fair or poor condition and in need of repair.



Based on survey results, 3,058 owner-occupied units and 2,769 renter-occupied units are in need of repairs. Detailed information is provided in the following table on the estimated dollar amounts of repairs needed to assist with the planning of rehabilitation programs that might be pursued.

Condition of Home by Own/Rent

Condition	Owners		Renters	
	%	#	%	#
Excellent	51.0	8,676	17.1	1,162
Good	31.1	5,286	42.3	2,882
Fair (\$5,000 or less in repairs)	13.7	2,327	32.3	2,199
Poor (\$5,001 to \$9,999 in repairs)	3.9	665	8.4	570
Very Poor (\$10,000 or more needed in repairs)	0.4	66		0
	100%	17,020	100%	6,813

Residents living in apartments report the worst conditions – nearly 38% indicated their homes are in poor or fair condition followed by mobile home residents at 36%.

Condition of Home by Unit Type

Condition	Overall	Apartment	Mobile home	Single-family home	Condo/townhome/duplex
Excellent	41.8	17.6	32.4	46.3	35.6
Good	34.8	45.5	31.6	33.1	37.0
Fair	18.2	27.2	14.8	15.8	27.4
Poor	4.9	9.6	21.3	4.5	
Very Poor	0.3			0.4	
	100%	100%	100%	100%	100%

There is a relationship between the condition of homes and length of residency. Households who have moved to Loveland in recent years more frequently report that their homes are in good or excellent condition than households residing in the community for 20 or more years. Households moving into the community may be purchasing or renting newer units while long-time residents continue to reside in older homes.

Condition of Home by Length of Residency

	< 1 year	1 to 5 years	6 to 10 years	11 to 20 years	>20 years	Always
Excellent	43.7	50.9	42.5	39.4	36.8	29.6
Good	40.5	29.4	36.3	38.9	35.3	35.7
Fair	15.9	17.7	15.2	15.9	22.4	18.1
Poor		2.0	5.1	5.9	5.5	14.1
Very Poor			0.9			2.5
	100%	100%	100%	100%	100%	100%

There is also a correlation between the value of homes and their condition. Owners who want a different home in the next two years estimated the market value of their homes to be less than an average of \$200,000 were more likely to indicate that their homes needed repair; the average market value of homes considered to be in excellent condition was nearly \$254,000.

Condition of Home by Market Value of Home

	Mean	Median
Excellent	\$253,831	\$220,000
Good	\$193,577	\$189,421
Fair	\$166,776	\$170,000
Poor	\$195,000	\$192,341
Total	\$216,079	\$199,038

Source: Household Survey

Overcrowding

It is estimated that 1,106 of Loveland's occupied housing units are overcrowded. Overcrowding is most common among small units. Of units with only one bedroom, nearly 30% are occupied by households with three or more members and are therefore considered to be overcrowded.

Number of Bedrooms Compared to Number of Occupants
(Shading denoted overcrowding.)

Persons in Home	Designed as Bedrooms				
	1	2	3	4	5+
1	60.6	33.7	16.0	10.5	4.9
2	9.5	43.0	42.6	36.2	29.3
3	16.8	15.4	21.0	17.0	9.8
4	13.1	7.2	15.9	20.7	26.8
5		0.8	3.1	9.4	22.0
6			1.5	3.6	4.9
7				0.8	2.4
9				1.9	
	100%	100%	100%	100%	100%
# of Units	1,457	5,254	8,625	3,726	955
% Overcrowded	29.9%	8.0%	1.5%	2.7%	0%
# Overcrowded	456	420	129	101	0

Note: Sample size of studios is too small to be conclusive.

Opportunities

This section provides information that is helpful when designing solutions to address existing needs and housing demand into the future.

Addressing Existing Housing Problems

As indicated in the Housing Problems section of this report, some of Loveland's residents live in housing units that are overcrowded, too expensive, in poor condition, or at risk of being lost due to delinquent housing payments. The following table summarizes the number of households that are experiencing these problems. While these problems are measurements of needs for which solutions are required, they should not be viewed as indications of the demand for additional units. Housing rehabilitation programs, rent subsidies and credit counseling are all potential strategies that could be used to address existing problems.

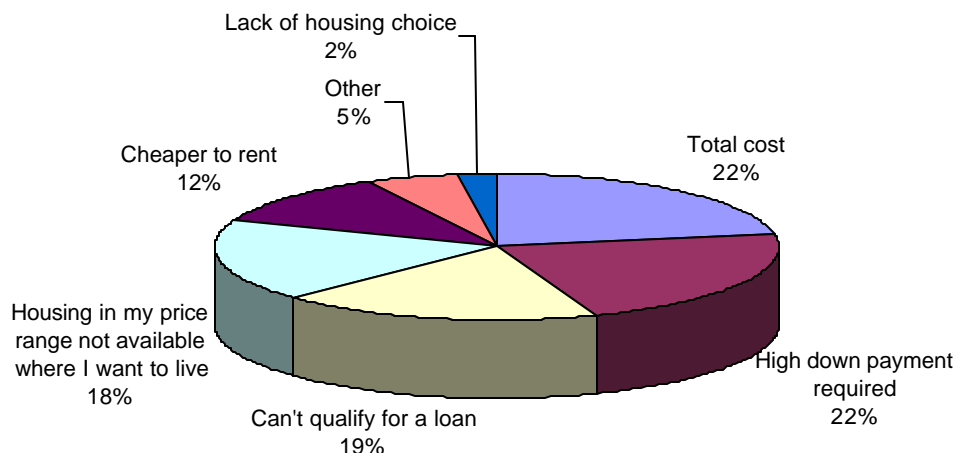
Existing Problems by Type

	<i>Households/ Housing Units</i>
Cost Burdened Households	5,931
At Risk Households	877
Housing Units in Need of Repair	5,827
Overcrowded Housing Units	1,106

Rental Opportunities

Approximately 29% of Loveland's households are renters, which is a relatively low percentage for an urban area. While the majority of these renters would like to buy homes, they can not do so because of cost, down payment requirements and inability to qualify for mortgages. Expanding housing choices will not solve these problems. Homebuyer education and credit counseling may help some of these renters into ownership but a community like Loveland with a diversified economy that includes retail and commercial services should expect that renters will be present in the future at levels similar to today.

Reasons why Renters Have not Purchased



There appears to be an adequate number of rental units at this time. Planning for the development of additional low-income or free-market rental properties for families and working-age singles is not recommended through 2004 for a combination of reasons:

- Vacancy rates were last estimated to be 10.8% (1st quarter of 2004), which is too high to warrant additional new development;
- The inventory of apartments has increased significantly in recent years (470 tax credit units in 2002/2003);
- Rents in Loveland have increased very slowly, which is indicative of a soft rental market;
- Two projects are already planned – a 166-unit mixed-income development (Phase II of Waterford Place) and 276 market-rate apartments; and
- Loveland has been placed on HUD's Market Watch list, which includes areas where new rental projects are not recommended due to soft market conditions and/or a large number of units in the pipeline.

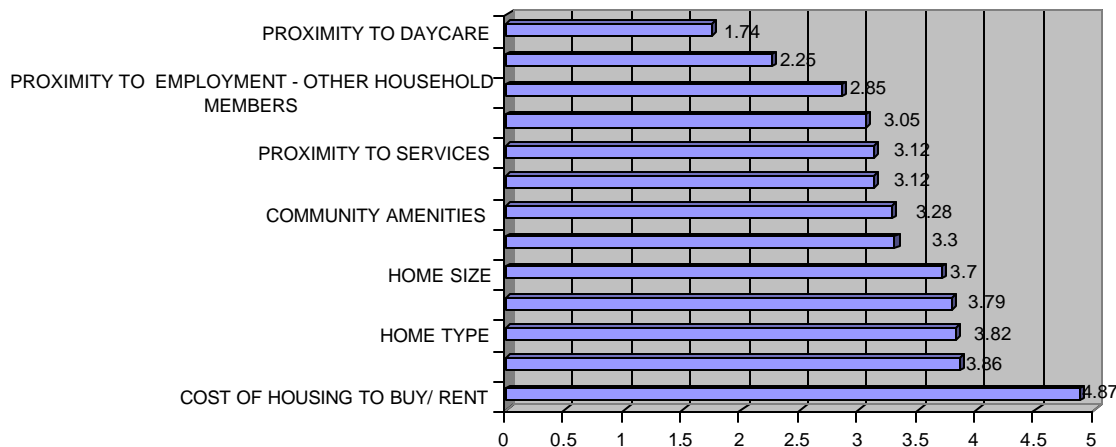
There is clearly a need for more affordable rental opportunities, however. There is a gap in rental pricing for households with incomes below 50% AMI. Approximately 67% of renters with incomes equal to or less than 30% AMI and 63% of renters with incomes between 30% and 50% AMI are cost burdened by their housing payment. Providing rent subsidies to these households so that they can afford to live in market-rate apartments or units that target 60% AMI, which are now oversupplied, could be an effective means of addressing affordability.

Consideration should be given to the development of age-restricted apartments. Loveland already has a significant concentration of seniors and more retirees are expected to move into the community. Mirasol, a project proposed by the Loveland Housing Authority, will address a portion of this market demand.

If the economy continues to rebound and the job projections for Loveland are realized, there will be demand in the future for additional apartments serving low through moderate income levels. When projects are planned, developers should take into account the amenities and location

considerations that are most important to renter households. Being new will not alone make a project a success. New construction is of relatively little importance to Loveland's renters. Cost is by far the most important consideration. Storage, unit type, maintenance and unit size are all high considerations for renters.

Importance of Amenities/Location Considerations – Renter Households



Source: Household Survey

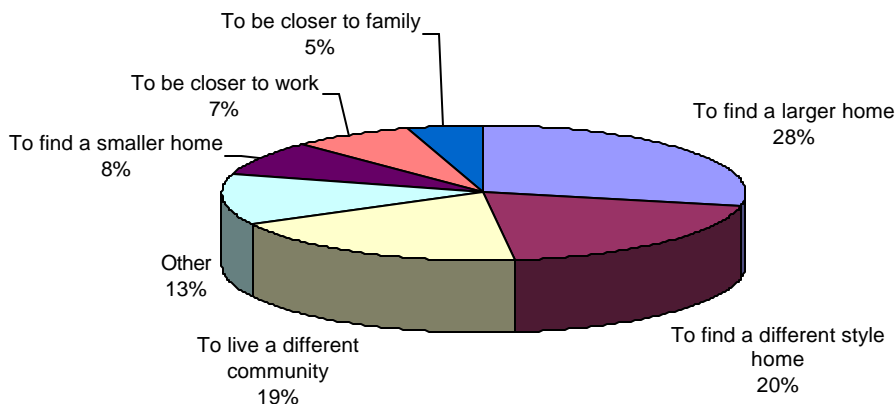
Homeownership Opportunities

Renters who want to buy (4,428 households) and owners who want to buy a different home from the one in which they now reside (5,106 households) can have their desires and needs best addressed if information on their demographic characteristics, income levels and preferences are taken into consideration.

Among homeowners who want to purchase a different home from the one in which they now live, the most frequently cited reason (28% of responses) is to find a larger home. The average household size of owners who want to buy a different home is 2.65 persons per unit, which is larger than the average size of owners who are content with their current residence (2.52 persons per unit). This indicates that the desire for larger homes is the result of the need to accommodate larger/growing families.

Some homeowners (8% of responses) would like to down size. There does not appear to be a correlation between income level and the desire to down size. Almost all who indicated they want to buy a smaller home have incomes of \$200,000 or more per year. Of seniors who own their homes, 17% would like to buy a different home. Providing small, low maintenance homes specifically for retirees could be a strategy that addresses not only their needs but also frees up larger units for families to purchase.

Reasons for Wanting to Buy Different Home



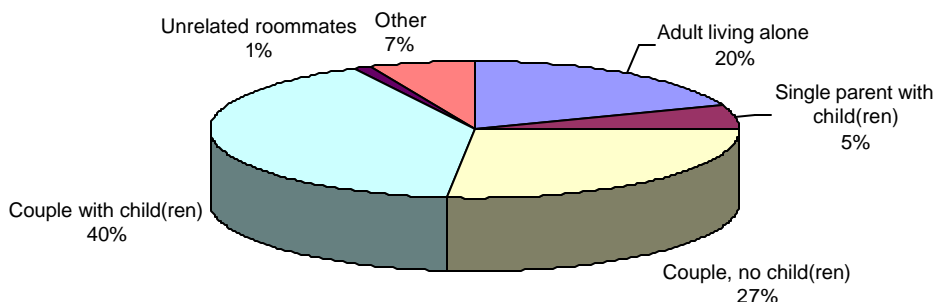
Source: Household Survey

It is important to note that 19% of responses indicated a desire to live in a different community. This equates to an estimated 970 households that would like to move out of Loveland, a factor that should be considered when planning development to accommodate projected increases in housing demand.

Household Composition and Size

The market for ownership housing in Loveland is dominated by families. Couples with children are the single largest group (40%). Adults living alone comprise only 20% of the market, which suggests that development of small for-sale units to provide low-cost options should only be a minor component in an affordable housing strategy.

Want to Buy – Household Composition



Source: Household Survey

Large families, however, are a relatively small percentage of the potential market for ownership – about 6.5% of interested buyers.

Want to Buy by Household Size

<i>Persons in Household</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7+</i>	<i>Total</i>
Owners	16.1%	35.7%	23.8%	17.5%	5.6%	0.7%	0.7%	100%
Renters	20.0%	20.0%	34.3%	20.0%	1.4%	2.9%	1.4%	100%
Overall	17.4%	30.5%	27.2%	18.3%	4.2%	1.4%	0.9%	100%

Empty nesters are a sizable segment of the market for homeownership. Of all interested buyers (renters and owners) 57% do not include a member under the age of 18. Of these, 26% have a householder in the 46 to 65 age range. This suggests that empty nesters comprise about 15% of the ownership market in Loveland. Empty nesters are typically interested in smaller homes and more maintenance free living. This does not imply retirement community living. It does; however, suggest that larger units currently occupied by empty-nesters could be available for purchase if alternative home types were available to this population. More ranch homes and main-level master bedroom units are being introduced into the market to accommodate the housing interests of this population.

Time in Home

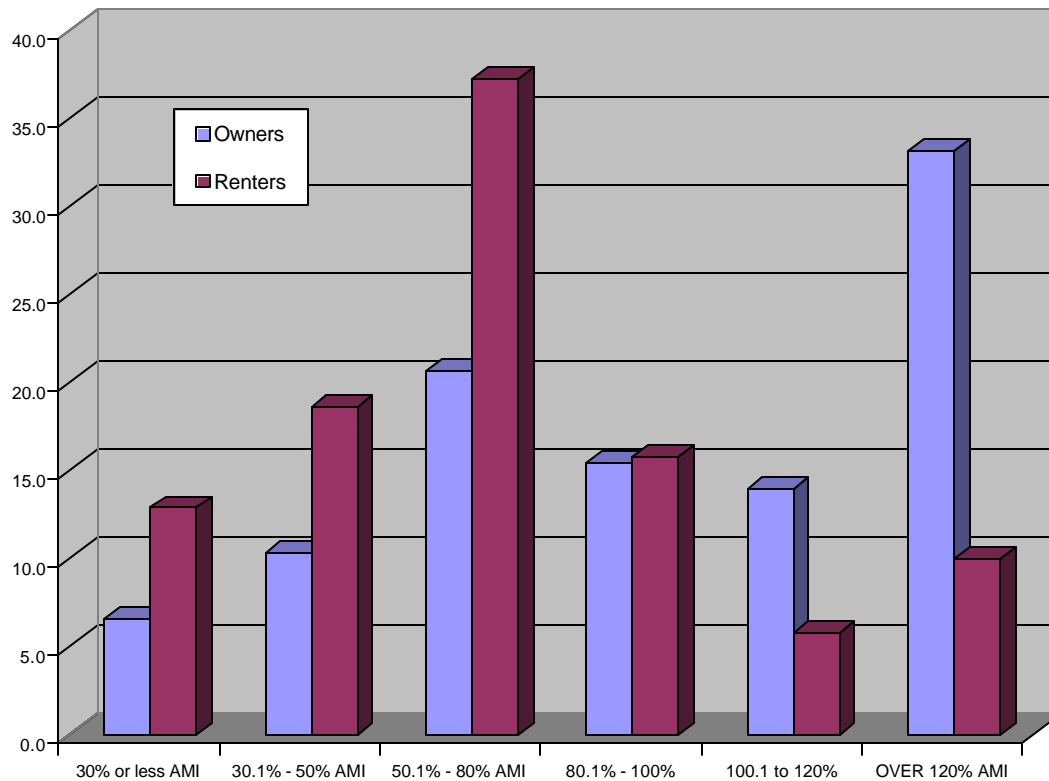
Most of the homeowners who want to purchase a different home have lived in their current residence for a fairly short period of time. This, in combination with the fact that a larger size is the most frequently cited reason for wanting a different home, suggests that move-up ownership opportunities are desired.

Length of Time in Current Home
(Homeowners Wanting to Buy Different Home)

<i>Years in Current Home</i>	<i>%</i>
Less than 1 year	0.7
1 - 3	29.7
4 - 6	28.4
7 - 9	9.9
10 - 14	14.0
15 - 19	6.6
20 - 24	4.1
25 - 29	4.6
30 or more	2.0

Incomes

There is strong interest in entry-level housing. Half of owners who want to buy have incomes in the 50% to 120% AMI range. Nearly 60% of renters who want to buy have incomes in this range. There is also potential for move-up housing; one-third of the owners who want to buy a different home have incomes in excess of 120% AMI.

Want to Buy by AMI and Own/Rent

While 32% of renters who want to become homeowners and 17% of owners who want to buy a different home have incomes of less than 50% AMI, it is difficult to provide purchase opportunities for this group. Even if prices could be subsidized down to the level where they would be affordable, poor credit and inability to qualify for mortgages will generally limit the ability of very low income households to become owners.

Down Payment Availability

For renters to move into ownership, down payment assistance will be needed. Three-fourths of the renters who want to buy have little (< \$2,500) or no funds available for a down payment. On average, renter households have approximately \$11,000 available for down payments; however, a few households that have likely been owners in the past or have resources other than savings from income skew this average.

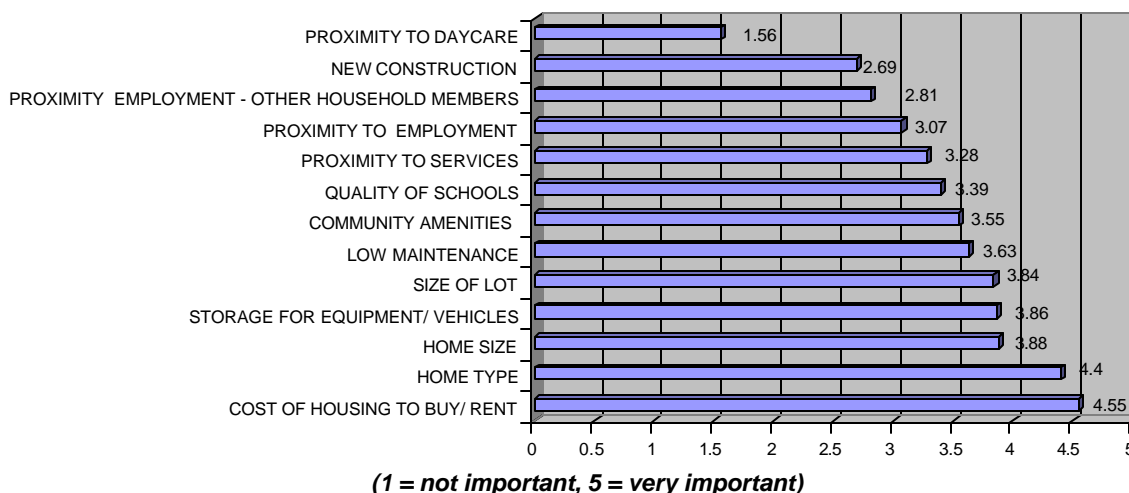
Amount Available for Down Payment by Own/Rent

<i>Down Payment Available</i>	<i>Owners</i>	<i>Renters</i>	<i>Combined</i>
None	6.3	35.7	18.4
Up to \$2,500	3.8	39.3	18.4
\$2,500 - \$4,999	3.8	3.6	3.7
\$5,000 - \$7,499	1.3	14.3	6.6
\$7,500 - \$9,999	1.3		0.7
\$10,000 - \$12,499	3.8		2.2
\$15,000 - \$17,499	2.5		1.5
\$20,000 or more	77.2	7.1	48.5
	100%	100%	100%
Average	\$75,688	\$11,012	\$48,175

Design and Location Considerations

Potential buyers are very cost conscious. The cost of housing is their greatest consideration when deciding on a place to live. The type of home is more important than home size, which suggests that it would be preferential to develop modest sized single-family homes rather than large attached units. Storage for equipment and vehicles is the most highly rated amenity. Lot size is of less importance. All of the location considerations (proximity to work, service, parks, etc.) are less important to potential buyers.

Project and Location Amenities



Program and Policy Options

Interviews were conducted with area developers who “specialize” in building more affordable housing product as well as Realtors and service agencies’ representatives. When asked about the current incentives offered by the City of Loveland, all builders indicated that they had used these incentives. They found that the one incentive that was particularly powerful in helping them keep down costs was the “freezing of fees” at the time a development receives designation as an affordable housing project. Freezing fees was important in reducing overall costs, particularly given that the planning and development review process could take 1.5 to 4 years, depending on the type of project. There is a concern about the increasing price of fees, particularly for raw water.

Several builders noted the following issues when proposing and building affordable housing projects:

- While Planning and the Human Services Departments were very supportive and pro-active in working with these projects, there appears to be a disconnect when the project is reviewed by other areas, notably Fire and Transportation. The affordable housing development incentives include a reduction in street standards, which these two departments did not fully embrace when the project was reviewed and higher standards were requested. *It was believed that the City of Loveland should fully embrace affordable housing developments and assure that all departments reviewing plans should be fully aware and engaged in evaluating alternatives that would keep down the cost of these projects while maintaining high quality developments.*
- Materials costs are increasing faster than the incomes of residents for whom proposed projects are targeted. This results in higher overall costs to develop these projects, without a corresponding increase in the sales price for units because of the income restrictions. *Freezing fees to earlier dates and/or a reduction in fees is one viable option to offset some of these increased costs.*
- Many households seeking to purchase their first home do not have any down payment and barely enough funds to cover closing costs. There is a concern that while these developments may target first time and entry-level buyers, there may not be enough households to qualify for loans because they have to be “perfect” and have very little if any debt. *Down payment assistance, homebuyer training and marketing assistance may be needed to find and qualify buyers.*
- The cost of land and density contributes significantly to overall housing costs. Estimates for developable land, with infrastructure improvements in place ranged from \$10,000 per unit for multi-family to \$75,000 for a small lot for a single-family home. Hard costs, exclusive of land, design and overhead were estimated at \$70 for multifamily to \$85 or slightly higher for single-family homes. *Land banking and/or fully waiving some fees would promote more affordably priced homes.*
- Liability insurance has increased significantly and is a factor in development costs. One builder noted that his liability insurance costs increased from \$4,000 for general liability in 2001 to \$150,000 in 2004. He noted that *the City is considering dropping general liability as a requirement for building in town.*

- Loveland is increasing some of its design standards for residential housing. For example, they are evaluating garage-dominated frontage in favor of other options. Although these may be aesthetically pleasing design requirements, it must be understood that these types of requirements add to housing cost. *Alternatives for affordable housing need to be developed that will maintain high quality, well-designed homes without increasing overall development costs.*

Other incentives included:

- Provide funding for local housing priorities. It is anticipated that the City will identify housing priorities every few years and that funding should be allocated to support these priorities;
- Preserve existing affordable housing stock and prevent it from turning to market rate rental housing. This could include identifying properties that owners may be willing to sell and securing special financing or other incentives to promote the sale to an entity that will retain the affordability of the rental unit;
- Decrease and/or waive building permit fees and property taxes for housing development and Habitat for Humanity homes; and
- As part of the downtown revitalization project, provide extra incentives to building owners to provide single-room occupancy units that residents could rent and pay 30% of their income. These properties could be used as transitional housing units for single individuals without children.